THE PROVINCE OF MANITOBA

Annual Report

For The Year Ended March 31, 2014

PROVINCE DU MANITOBA

Rapport Annuel

Pour l'exercice terminé le 31 mars, 2014

INCLUDES:
The Year End Review | Economic Report
Financial Statement Discussion and Analysis Report
Public Accounts – Volume 1

SOMMAIRE :
Bilan de L'année | Rapport économique
Rapport d'analyse des états financiers
Volume 1 des comptes publics

Focused on what matters most to families.

Accent sur les priorités des familles

Manitoba

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour the Honourable Philip Lee, P.C., O.M.
Lieutenant-Governor of the Province of Manitoba

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of the Province of Manitoba for the year ended March 31, 2014. This document completes the government's accountability reporting for the year. The Report includes a review of the year's results relative to the government's budget. It also contains economic statistics and indicators of the financial health of the Province.

Included in this Annual Report is Volume 1 of the Public Accounts. The Public Accounts contain the summary financial statements of the government reporting entity and management's financial statement discussion and analysis report.

Honourable Jennifer Howard
Minister of Finance

Office of the Minister of Finance
September, 2014

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Son Honneur Philip Lee, P.C., O.M.
Lieutenant-gouverneur de la province du Manitoba

Votre Honneur,

J'ai le privilège de vous présenter, à titre informatif, le rapport annuel de la province du Manitoba pour l'exercice qui s'est terminé le 31 mars 2014. Ce document complète le compte rendu des activités du gouvernement pour cet exercice. Le rapport comprend une récapitulation des résultats de l'exercice par rapport au budget du gouvernement. Il contient également des statistiques économiques et des indicateurs de la santé financière de la province.

Ce rapport annuel inclut le Volume 1 des comptes publics. Les comptes publics contiennent les états financiers sommaires de l'entité comptable du gouvernement, ainsi que les commentaires et analyses de la direction à ce sujet.

Madame Jennifer Howard
Ministère des Finances

Cabinet du ministre des Finances
Septembre 2014

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YEAR-END REVIEW

I am pleased to present the Province's Annual Report for the fiscal year ended March 31, 2014, that contains the financial statements for the year and reports of fiscal and economic performance.

Our summary financial statements show a net loss of $522 million for the year ended March 31, 2014, which was higher than the forecast in the Third Quarter Financial Report and only slightly higher than budgeted. Three primary environmental and weather related reasons have contributed to the variance between Third Quarter and this year end report, including a settlement provision for costs associated with the effects of long standing flooding issues in four First Nations communities, the coldest winter in over 100 years causing a sharp increase in Manitoba Public Insurance claims, and finally, a commitment of funds to remediate the Ruttan mine site near Leaf Rapids to prevent acidic tailings from causing long term environmental damage. However, while the global economic recovery continued to be tenuous, Manitoba's economy remained relatively stable throughout the fiscal year reflecting its diversity.

This annual report continues to provide accountability and transparency and, in the Financial Statement Discussion and Analysis section, reports on key long-term indicators, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

I am pleased to be able to provide Manitobans with these Summary results and our Government will continue to report on the objectives and results outlined in our annual Financial Management Strategy.

Respectfully submitted
Honourable Jennifer Howard
Minister of Finance

YEAR-END REVIEW

J'ai le plaisir de vous présenter le rapport annuel de la Province pour l'exercice financier qui s'est terminé le 31 mars 2014 et qui contient les états financiers pour l'exercice ainsi que les rapports sur les résultats financiers et économiques de la province.

Nos états financiers sommaires montrent une perte nette de 522 millions de dollars au 31 mars 2014, ce qui est supérieur aux prévisions du rapport financier du troisième trimestre et seulement un peu plus élevé que ce qui avait été prévu dans le Budget. Trois raisons essentiellement environnementales et climatiques ont contribué à l'écart entre les chiffres du troisième trimestre et ceux du présent rapport de fin d'année, à savoir : une disposition relative au règlement des coûts associés aux inondations dans quatre collectivités des Premières Nations; l'hiver le plus froid en plus de 100 ans, qui a occasionné une forte hausse des demandes d'indemnisation à la Société d'assurance publique du Manitoba; et enfin, l'engagement à financer la remise en état du site minier de Ruttan, près de Leaf Rapids, afin d'empêcher que des résidus acides ne causent des dégâts environnementaux à long terme. Néanmoins, alors que la reprise économique mondiale a continué d'être précaire, l'économie manitobaine est demeurée relativement stable tout au long de l'exercice, grâce à sa diversité.

Ce rapport annuel continue d'être conforme à la transparence et à l'obligation redditionnelle et fait état, dans la partie réservée à l'analyse des états financiers, des indicateurs à long terme, comme cela est recommandé par le Conseil sur la comptabilité dans le secteur public des Comptables professionnels agréés du Canada.

Je suis heureuse de pouvoir faire part aux Manitobains et Manitobaines de ces résultats sommaires. Le gouvernement continuera à fournir un compte rendu des objectifs et des résultats présentés dans sa Stratégie de gestion financière annuelle.

Le tout respectueusement soumis.
La ministre des Finances,
Jennifer Howard

ECONOMIC REPORT / RAPPORT ÉCONOMIQUE

In 2013, economic growth in Manitoba remained steady despite continuing uncertainty in the global environment. Manitoba's economy grew on the strength of agricultural production, increased business investment in both residential and non-residential construction and a rebound in consumer spending.

En 2013, la croissance économique du Manitoba est restée stable malgré la persistance du climat d'incertitude sur la scène économique mondiale. L'économie de la province a crû grâce à la forte production agricole, à l'augmentation des investissements commerciaux dans la construction résidentielle et non résidentielle, et à une reprise des dépenses de consommation.

A bumper crop and gradual improvement in global demand boosted Manitoba's export growth to the second highest among provinces. A sharp increase in furniture and motor vehicle sales elevated retail sales growth to 3.9% in 2013, following a 1.3% growth in 2012. The first full year of operations at the Wuskwatim Generation Station lifted utility output in 2013. Soft commodity prices and weak overall demand left real mining production flat in 2013 after three years of double-digit growth rates. Following increased activity related to the flooding situation in previous years, real GDP in public administration declined in 2013.

Une récolte exceptionnelle et une amélioration progressive de la demande mondiale ont stimulé la croissance des exportations manitobaines, la plaçant au deuxième rang parmi les provinces. Une brusque augmentation des ventes de meubles et de véhicules automobiles a fait monter la croissance des ventes au détail à 3,9% en 2013, faisant suite à une croissance de 1,3% en 2012. La première année complète d'exploitation de la centrale hydroélectrique de Wuskwatim a fait augmenter la production des services publics en 2013. Les prix des produits de base hors métaux et une demande globale faible ont donné lieu à une stagnation de la production minière réelle en 2012, après trois années de taux de croissance à deux chiffres. Après augmentation de l'activité liée à la situation des inondations dans les années précédentes, le PIB réel de l'administration publique a diminué en 2013.

The mixed results helped maintain Manitoba's real GDP growth rate at 2.4% in 2013, unchanged from 2012 and the fourth best among provinces and ahead of Canada. Industrial output in Manitoba's goods producing sector increased 3.3% in 2013. Industrial output in the service producing sector expanded 2.1% with commercial services increasing 2.9% and non-commercial service increasing 1.0%. The service sector accounted for 70% of Manitoba's economy in 2013.

Les résultats mitigés ont permis à la province de conserver un taux de croissance du PIB réel de 2,4% en 2013, comme en 2012, ce qui place le Manitoba au quatrième rang parmi les provinces et lui confère une avance par rapport au Canada. En 2013, la production industrielle a augmenté de 3,3% dans le secteur de la fabrication de biens et de 2,1% dans le secteur des services, à raison de 2,9%, pour les services commerciaux et de 1%, pour les services non commerciaux. Le secteur des services représentait 70% de l'économie du Manitoba en 2013.

The global economic situation remained somewhat tenuous in 2013, with overall growth stabilizing after two years of slowing. Fiscal consolidation, especially in the U.S., generated a drag on global demand for goods and services. The euro area emerged from recession, but growth remained sluggish with challenging conditions in many parts of the region. In China, growth slowed in 2013, as the economy shifts to a more sustainable path. In addition, almost six years after the Great Recession, households continue to moderate spending as they manage their relatively high debt levels.

La situation économique mondiale est demeurée quelque peu précaire en 2013, la croissance globale s'étant stabilisée après deux années de ralentissement. L'assainissement des finances publiques, surtout aux É.-U., a donné lieu à un ralentissement de la demande mondiale en matière de biens et de services. La zone euro a émergé de la récession, mais sa croissance reste lente en raison des conditions difficiles qui existent dans beaucoup de parties de cette région. La croissance a ralenti en Chine en 2013, alors que l'économie se réoriente sur une voie plus viable à long terme. De plus, presque six ans après la grande récession, les foyers

Manitoba's relatively strong performance reflects diversity and balance in the economy. Manitoba has a broad industrial base, dominated by medium-sized industries all contributing relatively equally to the overall economy. The province has 11 industries each accounting for over 5% of the economic production, with manufacturing being the largest at 10%. The range in sector size from the largest industry to the smallest industry is narrowest among provinces. Manitoba's exports are almost evenly distributed between international and interprovincial markets.

Demographic fundamentals remained strong as Manitoba surpassed the national population growth rate in the last three years. A growing population has supported the second strongest housing market in Canada over the past decade. Last year was no exception with the largest number of housing units started in the provinces since 1987.

Capital investment spending has been a catalyst for growth in Manitoba. Over the past 22 years, investment spending has consistently increased in all but two years, the steadiest growth among provinces. Over the last two decades private investment has increased at approximately 6.8% annually.

Gross Domestic Product

In February 2014, the Manitoba Bureau of Statistics estimated that 2013 real GDP increased by 2.4% in Manitoba, unchanged from a 2.4% growth in 2012.

Last year, agricultural production continued a rebound with a 10.7% growth in output following a 17.0% increase in 2012. This reverses a three year contraction in agricultural output associated with poor weather conditions and the impacts of the Assiniboine River flood. The 6.1% growth in construction builds on the 8.7% increase in 2012 and reflects the continued investment in infrastructure and growth of retail and residential investment. Other sectors of strength include utilities, transportation and warehousing, retail trade, wholesale trade. Only public administration experienced a decline in 2013, down 0.5%, while mining output remained flat at 0.0% growth.

modèrent toujours leurs dépenses pour gérer leurs niveaux d'endettement relativement élevés.

La relativement bonne performance du Manitoba reflète la diversité et l'équilibre de son économie. La province a une base industrielle variée, dominée par les industries de taille moyenne qui contribuent toutes de façon plus ou moins égale à l'économie. La province dispose de 11 industries, chacune représentant plus de 5% de la production économique, la plus grande étant l'industrie de la fabrication qui compte pour 10%. L'amplitude séparant la plus grande industrie du Manitoba de la plus petite est la moins importante des provinces canadiennes. Les exportations manitobaines sont distribuées de façon presque égale entre les marchés international et interprovincial.

Les facteurs démographiques fondamentaux sont restés positifs : le Manitoba jouit d'un taux d'accroissement de la population plus élevé que celui du Canada depuis trois ans. Sa population en pleine croissance lui a permis de bénéficier d'un solide marché du logement et de demeurer en deuxième position au Canada à cet égard au cours de la dernière décennie. L'année dernière n'a pas fait exception à cette règle, voyant le plus grand nombre d'unités de logement bâti dans les provinces depuis 1987.

Les investissements en immobilisations ont catalysé la croissance au Manitoba. Au cours des 22 dernières années, les dépenses en investissements ont augmenté régulièrement tous les ans sauf deux, ce qui constitue la croissance la plus soutenue de toutes les provinces. Au cours des 20 dernières années, les investissements du secteur privé ont augmenté à un taux d'environ 6,8% par année.

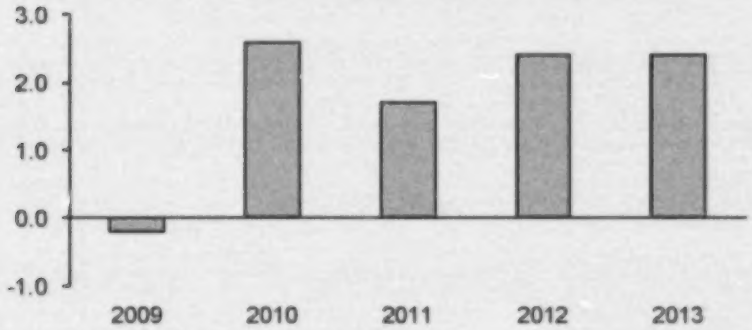
Produit intérieur brut

En février 2014, le Bureau des statistiques du Manitoba a estimé que le PIB réel avait augmenté de 2,4% en 2013 au Manitoba, soit au même taux qu'en 2012.

L'année dernière, la production agricole a continué un rebond avec une croissance de 10,7% de la production suite à une hausse de 17,0% en 2012, ce renverse une contraction de trois ans dans la production agricole associée à de mauvaises conditions météorologiques et les effets de l'inondation de la rivière Assiniboine.La croissance de 6,1% du secteur de la construction continue sur la lancée de l'augmentation de 8,7% de 2012, et reflète l'investissement continu dans l'infrastructure et la croissance des ventes au détail et de l'investissement résidentiel. D'autres secteurs forts incluent les services publics, le transport et l'entreposage, le commerce de détail et celui de gros. Seule l'administration publique a connu une baisse de 0,5% en 2013. De son côté, la production minière n'a

pas changé, avec une croissance à 0%.

Real GDP Growth (Percentage Change)
Croissance du PIB réel (en pourcentage)



Source: Manitoba Bureau of Statistics

Population

Manitoba's population is estimated at 1,265,015 as of July 1, 2013, the fifth largest among provinces. Population growth from the previous year was 14,983 persons or 1.2%. This is the third consecutive year that Manitoba's population growth rate exceeded the national increase. Although slower than the recent record increases of 1.3% in 2012, population growth remains high by historical standards.

Population growth continues to be supported by immigration, stable interprovincial migration and increasing natural population growth (births minus deaths). The demographic profile has also changed, with an increase in the number of 15 to 64 aged individuals, Manitoba's median age has shifted from 37.8 in 2009 to 37.7 in 2013, the third youngest in Canada behind Saskatchewan and Alberta.

On a calendar year basis, Manitoba's population grew by 14,111 persons in 2013 with a total net in-migration of 8,576 persons combined with a natural population increase of 5,535 persons.

Population

Au 1er juillet 2013, le Manitoba comptait, selon les estimations, 1 265 015 habitants, ce qui le plaçait au 5e rang des provinces canadiennes. La population a augmenté de 14 983 personnes par rapport à l'année passée, soit une croissance de 1,2%. Le taux de croissance de la population du Manitoba dépasse ainsi le niveau national pour la troisième année consécutive. Bien que la croissance de cette année soit moindre que la récente augmentation record de 2012 (1,3%), elle demeure élevée d'un point de vue historique.

La croissance démographique est toujours soutenue par l'immigration, par une migration interprovinciale stable et par l'augmentation démographique naturelle (les naissances moins les décès). Le profil démographique a aussi changé, avec une augmentation des personnes âgées de 15 à 64 ans. L'âge moyen au Manitoba est passé de 37,8 ans, en 2009, à 37,7 ans, en 2013, ce qui place le Manitoba au 3e rang des provinces les plus jeunes au Canada, derrière la Saskatchewan et l'Alberta.

Sur l'année civile, la population manitobaine a augmenté de 14 111 personnes en 2013, avec une immigration nette totale de 8 576 personnes, plus une augmentation démographique naturelle de 5 535 personnes.

Labour Force and Incomes

Manitoba's labour market remained stable in 2013, generating a steady increase in jobs. Total employment increased by 3,100 workers in 2013 following a gain of 5,600 workers in 2012. Full-time employment increased by 1,200 workers in 2013 and part-time employment increased by 1,900 workers.

Manitoba's labour force expanded by 3,600 workers in 2013, following a gain of 5,200 in 2012. At 68.7%, Manitoba's labour force participation rate was the fourth highest among provinces in 2013. The national average labour force participation rate was 66.5% in 2013.

Manitoba's service sector employment accounts for 78% of total employment and decreased by 1,700 jobs in 2013, while the goods sector employment increased by 4,800 jobs. Private sector employment increased by 6,400 jobs and public sector employment decreased by 3,300 jobs.

The unemployment rate increased 0.1% to 5.4% in 2013 but continues to be the third lowest in Canada behind Saskatchewan and Alberta and is well below the national rate of 7.1%. In 2013, Manitoba's youth unemployment declined to 10.5% from 11.0% in 2012, and remains the third lowest among provinces.

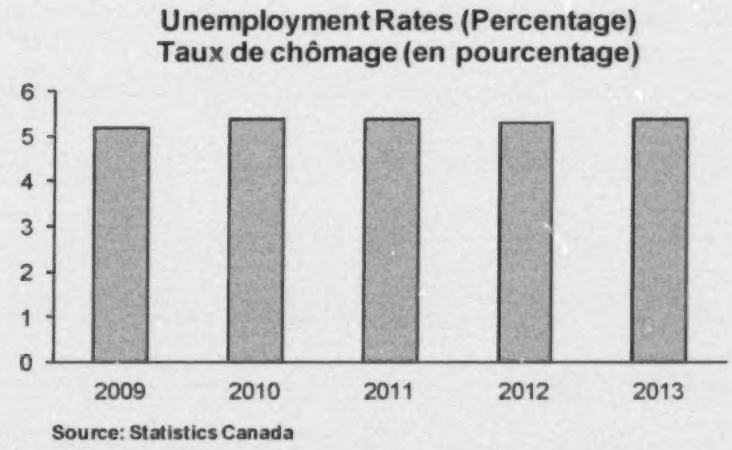
Main-d'œuvre et revenus

Le marché du travail du Manitoba est resté stable en 2013, générant une augmentation soutenue du nombre d'emplois. L'emploi total a augmenté de 3 100 travailleurs en 2013, après un accroissement de 5 600 travailleurs en 2012. En 2013, il y a eu un gain de 1 200 emplois à plein temps et une augmentation de 1 900 emplois à temps partiel.

La population active du Manitoba s'est accrue de 3 600 travailleurs en 2013, après une hausse de 5 200 travailleurs en 2012, et son taux d'activité de 68,7% a hissé le Manitoba au 4e rang de toutes les provinces en 2013. La moyenne nationale du taux d'activité était de 66,5% en 2013.

En 2013, le secteur des services, qui représentent 78% du nombre total d'emplois au Manitoba, a connu une baisse de 1 700 emplois, alors que celui des biens a enregistré une hausse de 4 800 emplois. Il y a eu une hausse de 6 400 emplois dans le secteur privé et une baisse de 3 300 emplois dans le secteur public.

Le taux de chômage a augmenté de 0,1 en 2013, pour passer à 5,4%, mais il reste toujours au 3e rang des taux les plus bas au Canada, derrière ceux de la Saskatchewan et de l'Alberta, ainsi qu'en dessous du taux national de 7,1%. Le taux de chômage des jeunes qui était de 11 % en 2012 est passé à 10,5% en 2013, ce qui permet au Manitoba de demeurer au 3e rang des provinces pour le taux de chômage des jeunes le plus bas.



Source: Statistics Canada

Investment

In Manitoba, capital expenditures have been extremely buoyant for a number of years. Over 10 years, annual capital spending has more than doubled from $6.2 billion in 2003 to $12.6 billion in 2013, for a 7.4% average annual gain. In addition, Manitoba has the most consistent growth in business capital investment of all provinces with only two year over year declines in the past 22 years.

Manitoba's total capital investment increased to a record $12.6 billion in 2013, an increase of 5.8% from 2012. The economy has benefited from business investment on residential and non-residential capital projects. In the last five years, Manitoba's private sector capital investment increased by 21.3% compared to a 11.6% national increase, fourth among provinces. In the last five years, total capital investment increased 26% in Manitoba, third highest among the provinces and almost double the 14% national increase.

In 2013, private capital investment increased 4.6%, compared to an estimated national increase of 0.2% and public investment rose by 8.3% in Manitoba and by 6.6% in Canada.

Over the past five years, Manitoba's private sector capital investment increased 21.3%, third best among

Investissement

Au Manitoba, les dépenses en capital ont été extrêmement élevées pendant plusieurs années. En 10 ans, les dépenses en capital annuelles ont plus que doublé, passant de 6,2 milliards en 2003 à 12,6 milliards en 2013, avec une augmentation annuelle moyenne de 7,4%. De plus, le Manitoba affiche les meilleurs résultats de toutes les provinces en ce qui concerne la croissance régulière des investissements de capital des entreprises commerciales, puisqu'il n'a connu que deux années consécutives de diminution ces 22 dernières années.

Au Manitoba, le total annuel des investissements en immobilisations s'est accru de 5,8% par rapport à 2012 pour atteindre le chiffre record de 12,6 milliards de dollars en 2013. L'économie a bénéficié d'investissements commerciaux concernant des projets d'immobilisations résidentiels et non résidentiels. Ces cinq dernières années, les investissements en immobilisations du secteur privé du Manitoba ont augmenté de 21,3% par rapport à l'augmentation nationale de 11,6%, ce qui place le Manitoba au quatrième rang des provinces. Au cours de la même période, le total des investissements en immobilisations a augmenté de 26% au Manitoba, ce qui constitue presque le double de la croissance nationale (14%) et place le Manitoba au 3e rang parmi les provinces.

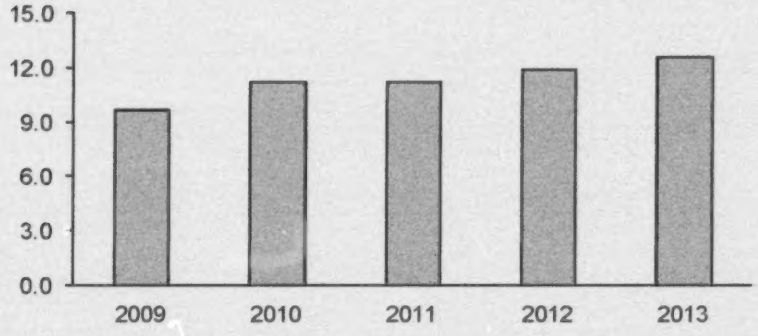
En 2013, les investissements en immobilisations du secteur privé ont augmenté de 4,6%, par rapport à une augmentation nationale prévue de 0,2%, et les investissements publics ont augmenté de 8,3% au Manitoba et de 6,6% au Canada.

Au cours des cinq dernières années, les investissements en immobilisations du secteur privé du Manitoba ont augmenté de 21,3%, plaçant le Manitoba

provinces.

au 3e rang parmi les provinces.

Capital Investment (Billions of Dollars)
Investissements de capitaux (en milliards de dollars)



Source: Statistics Canada

Sectoral Developments

Uneven demand for Manitoba's manufactured products kept the overall shipment receipts relatively flat in 2013. Total manufacturing sales from the province increased by 0.2% to $15.4 billion in 2013, after increasing 1.1% in 2012 and 6.0% in 2011. Canadian sales increased 0.3% last year. Overall, Manitoba sales of durable goods declined 0.8%, but sales of non-durables advanced 1.7%.

In 2013, Manitoba manufacturing sales increased in four of seven subsectors. Wood (13.4%), machinery equipment (9.9%), food (0.5%) and chemicals (0.4%) sales led the sector, while fabricated metals (-7.7%), printing (-2.3%) and transportation equipment (-0.8%) sales led the losses.

Manufacturing accounts for 10% of GDP and 10% of employment, Manitoba's largest industry. The vast majority of manufactured goods are exported. A diverse mix of exports include industrial and consumer goods, such as aerospace products, buses, food products, wood products, industrial and agricultural chemicals.

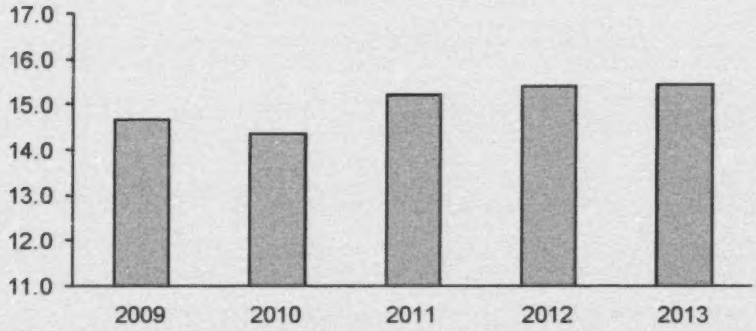
Développements sectoriels

Au Manitoba, une demande irrégulière pour les produits manufacturés a fait que dans l'ensemble, les recettes des livraisons manufacturières n'ont pas progressé en 2013. Le total des ventes de produits manufacturés dans la province a augmenté de 0,2% en 2013 pour atteindre 15,4 milliards de dollars, après avoir augmenté de 1,1% en 2012 et de 6% en 2011. Les ventes canadiennes ont augmenté de 0,3% l'année dernière. Dans l'ensemble, les ventes manitobaines de biens durables ont baissé de 0,8%, alors que celles de biens non durables ont augmenté de 1,7%.

En 2013 au Manitoba, les ventes de produits manufacturés ont augmenté dans quatre sous-secteurs sur sept. Les sous-secteurs des produits en bois (13,4%), des machines (9,9%), des aliments (0,5%) et des produits chimiques (0,4%) ont connu les meilleures ventes, alors que ceux des produits métalliques (-7,7%), de l'impression (-2,3%) et du matériel de transport (-0,8%) ont connu les pertes les plus importantes.

Les produits manufacturés représentent 10% du PIB et 10% du nombre d'emplois au Manitoba. C'est la plus grande industrie de la province. La grande majorité des biens manufacturés sont exportés. Un assortiment varié d'exportations comprend des biens industriels et de consommation, comme des produits aérospatiaux, des autobus, des produits alimentaires, des produits du bois, et des produits chimiques industriels et agricoles.

Value of Manufacturing Shipments (Billions of Dollars)
Valeur des expéditions de produits manufacturés (en milliards de dollars)



Source: Statistics Canada

In 2013, Manitoba exports increased 10.4%, second largest increase among provinces and above Canada's increase of 3.7%. Manitoba's exports were equally balanced in 2013 with U.S. exports rising 9.7% and non-U.S exports gaining 11.8%. The recovery in grain production pushed up crop exports by 52.4% in 2013 compared to a 24.1% decline in the previous year. Value-added processed food exports increased by 8.9% in 2013. Challenges in the mining commodity market lowered total mining, oil and gas extraction exports by 15.3% in 2013 following a 7.1% decline in 2012.

Manitoba farm cash receipts increased 12.1% in 2013 to $5.8 billion, the largest increase among provinces. Crop receipts were up 24.8% to $3.4 billion, with strength across all major crops except oats. Canola receipts were up 7.7%; wheat increased 41.1% and is now worth over $1.1 billion or roughly one third of total crop receipts.

Specialty crops are now worth over $1.0 billion in 2013, double the previous 10-year average value. Livestock receipts increased 3.8% with cattle receipts up 8.3%,

En 2013, les exportations manitobaines ont augmenté de 10,4%, ce qui est supérieur à l'augmentation canadienne de 3,7% et place le Manitoba au 2e rang des provinces pour les augmentations les plus fortes. Les exportations manitobaines étaient équilibrées en 2013, les exportations vers les É.-U. ayant augmenté de 9,7% et celles vers le reste du monde, de 11,8%. La reprise de la production céréalière a fait augmenter les exportations de productions végétales de 52,4% en 2013, comparativement à la baisse de 24,1% qui avait eu lieu l'année précédente. Les exportations de produits alimentaires transformés à valeur ajoutée ont augmenté de 8,9% en 2013. Les défis que rencontre le marché minier ont fait baisser les exportations totales de minerais, de pétrole et de gaz d'extraction de 15,3% en 2013, faisant suite à une baisse de 7,1% en 2012.

Les recettes monétaires agricoles ont augmenté de 12,1% au Manitoba en 2013 et ont atteint 5,8 milliards, ce qui constitue l'augmentation la plus importante de toutes les provinces. Les recettes des productions végétales ont augmenté de 24,8% pour atteindre 3,4 milliards de dollars, toutes les cultures principales ayant donné de bons résultats à part l'avoine. Les recettes provenant du canola ont augmenté de 7,7%. Celles du blé ont fait un bond de 41,1% et valent maintenant plus de 1,1 milliard de dollars, soit environ un tiers de toutes les recettes des productions végétales.

Les cultures spéciales représentent plus de 1 milliard de dollars en 2013, soit le double de la valeur moyenne des 10 années précédentes. Les recettes de l'élevage ont augmenté de 3,8%, le secteur bovin ayant augmenté de

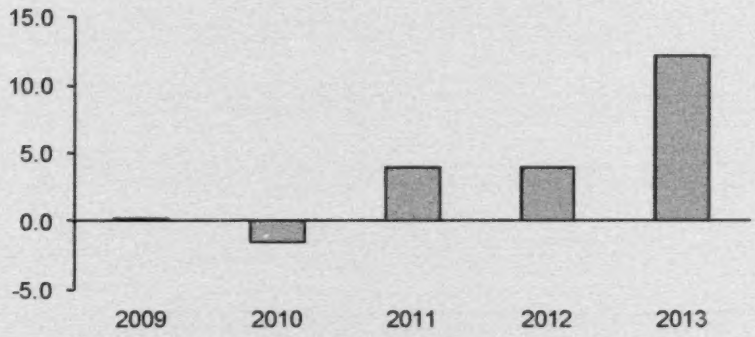
further supported by a 4.0% increase in hog receipts. Direct payments, which include crop insurance and other transfers to producers, are estimated to have decreased by 25.0% in 2013.

The livestock sector in Manitoba continues to be impacted by the U.S. Country of Origin Labeling (COOL) regulations for meat products. In 2013, the U.S. tightened the legislation adding further to the compliance costs and tracking procedures. Canada and Mexico won a ruling by the World Trade Organization (WTO) against these regulations and have announced plans for retaliatory action, including retaliatory tariffs through the WTO.

8,3% et le secteur porcin de 4%. On estime que les paiements directs, qui comprennent les prestations d'assurance-récolte et d'autres transferts aux producteurs, ont baissé de 25% en 2013.

Le secteur de l'élevage du Manitoba est toujours touché par la réglementation américaine relative à l'étiquetage du pays d'origine pour les produits carnés. En 2013, les É.-U. ont renforcé la législation dans ce domaine, rendant les coûts d'observation plus lourds et les mesures de vérification de la provenance plus complexes. Le Canada et le Mexique ont remporté un jugement émis par l'Organisation mondiale du commerce (OMC) à l'encontre de ces règles, et ont annoncé des plans visant à riposter, notamment en augmentant leurs tarifs par le truchement de l'OMC.

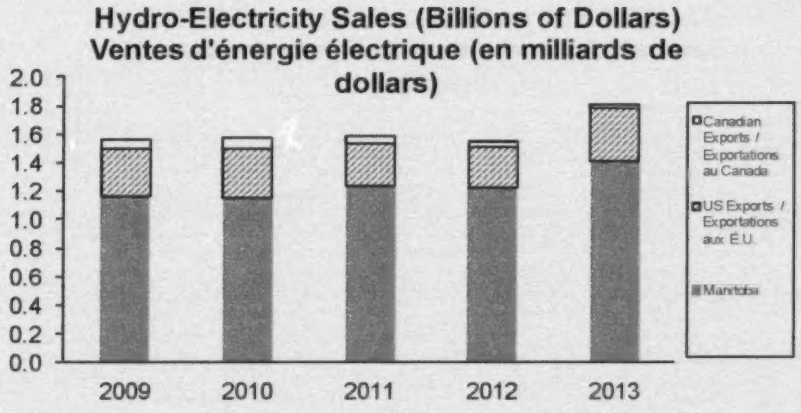
Farm Cash Receipts (Percentage Change)
Recettes monétaires agricoles (Variation en pourcentage)



Source: Statistics Canada

In 2013, the value of Manitoba electricity sales increased by 16.7%. Approximately 93% of export sales are to the U.S. with the balance to other Canadian provinces. Export sales to the U.S. are priced in $US; as a result, the Canadian dollar depreciation is reflected in increasing U.S. export sales receipts.

En 2013, les ventes d'énergie électrique au Manitoba ont augmenté de 16,7%. Environ 93% des ventes à l'exportation sont destinées aux États-Unis et le reste, aux autres provinces canadiennes. Les exportations à destination des États-Unis sont facturées en dollars américains. De ce fait, la dépréciation du dollar canadien a entraîné une augmentation des recettes pour les exportations vers notre voisin américain.



Source: Manitoba Hydro

In 2013, Manitoba housing starts increased to 7,465 units, a 3.1% increase and better than the 12.5% national decrease. Single starts were down 8.4% while multiples increased 18.6%. In 2013, housing starts in Manitoba were at the highest level since 1987 and the share of multiple starts at 49%, is the highest since 1987 when they were 43% of total starts. Apartment starts in 2013 reached 2,524 units, an increase of 15.3% and this follows a 63.7% increase in 2012.

Il y a eu 7 465 mises en chantier d'habitations au Manitoba en 2013. Cela représente une augmentation de 3,1%, ce qui est mieux que la baisse nationale de 12,5%. Les mises en chantier d'habitations individuelles ont diminué de 8,4%, et celles d'habitations à logements multiples ont augmenté de 18,6%. En 2013, les mises en chantier d'habitations au Manitoba ont atteint leur niveau le plus haut depuis 1987, et la part des mises en chantier d'habitations multiples était de 49%, soit le plus haut niveau depuis 1987, année où elles représentaient 43% du total des mises en chantier d'habitations. En 2013, les mises en chantier d'appartements ont atteint 2 524 unités, soit une augmentation de 15,3%. Cela vient à la suite d'une augmentation de 63,7% en 2012.

In 2013, the value of building permits in Manitoba increased 4.9%. Non-residential permits were up 3.5% while residential permits increased 5.9% from 2012. Canadian permits showed no growth in 2013. In Manitoba, non-residential building permits were supported by a 33.9% increase in institution permits, a 10.2% increase in commercial permits, offset by a 44.7% decrease in industrial permits.

En 2013, la valeur des permis de construction a augmenté de 4,9% au Manitoba. La valeur des permis de construction non résidentielle a augmenté de 3,5 %, et celle des permis de construction résidentielle a augmenté de 5,9% depuis 2012. Les permis canadiens n'ont pas connu d'augmentation en 2013. Au Manitoba, les permis de construction non résidentielle ont été soutenus par une hausse de 33,9% en institution permis, en hausse de 10,2% des permis de construction commerciale, compensée par une diminution de 44,7% des permis industriels.

Retail sales in Manitoba increased 3.9% in 2013, Canada up 3.2%. Retail sales rose in 2013 on the strength of motor vehicle sales (13.0%), furniture (11.5%), sporting goods (5.0%) and hardware and building supplies (4.7%). Sales of electronics and appliances declined (6.9%) along with personal services

En 2013, les ventes au détail ont augmenté de 3,9% au Manitoba, et de 3,2 % au Canada. Cette augmentation de 2013 repose sur la solidité des ventes de véhicules automobiles (13%), de meubles (11,5%), d'équipements de sport (5%) et de matériaux et fournitures de construction (4,7%). Les ventes d'appareils

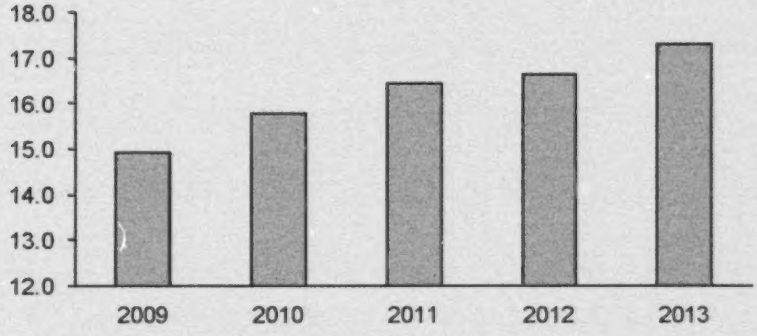
(6.6%) and food and beverage sales (0.5%).

The number of new vehicles sold in Manitoba increased 7.7% last year to 56,275 units, similar to the 7.6% growth in 2012, and more than double the 3.5% national increase. Passenger car sales increased 9.0% after increasing 9.8% in 2012 and truck sales advanced 7.1% after posting a 6.6% increase in 2012. New car sales have supported the increase in retail durable goods sales in both 2012 and 2013.

électroniques et ménagers ont baissé (6,9%), tout comme celles de services personnels (6,6%) et d'aliments et de boissons (0,5%).

Le nombre de nouveaux véhicules vendus au Manitoba a augmenté de 7,7% l'année dernière pour atteindre les 56 275 unités, ce qui est semblable à la croissance de 2012 (7,6%), et plus du double de la hausse nationale (3,5%). Les ventes de voitures de tourisme ont augmenté de 9% après avoir augmenté de 9,8% en 2012, et les ventes de camions ont augmenté de 7,1% après avoir augmenté de 6,6% en 2012. Les ventes de voitures neuves ont appuyé l'augmentation des ventes au détail de biens durables en 2012 et en 2013.

Retail Sales (Billions of Dollars)
Vente au détail (en milliards de dollars)



Source: Statistics Canada

PUBLIC ACCOUNTS
VOLUME 1
FOR THE YEAR ENDED
MARCH 31, 2014

VOLUME 1
DES COMPTES PUBLICS
POUR L'EXERCICE TERMINÉ
LE 31 MARS 2014

INTRODUCTION TO THE PUBLIC ACCOUNTS OF MANITOBA/ INTRODUCTION AUX COMPTES PUBLICS DU MANITOBA

Nature of the Public Accounts

The Public Accounts of Manitoba are prepared annually by statutory requirement in accordance with section 65(1) of *The Financial Administration Act*, which is Chapter F55 of the Continuing Consolidation of the Statutes of Manitoba. The Public Accounts reflect the summary financial position of the Government and the operating results for the fiscal year of the Government, which ends on March 31.

The information contained in the report originates from two sources:

- the summarized financial information presented in the accounts of Manitoba, maintained by the Provincial Comptroller; and
- the detailed records, maintained by departments, agencies, Crown organizations (Crowns) and Government Business Enterprises (GBEs).

Each department and public sector organization is responsible for reconciling its accounts to the control accounts of the Provincial Comptroller, and for maintaining detailed records of the transactions in their accounts.

Format of the Public Accounts of Manitoba

The Public Accounts of Manitoba consists of the following volumes:

Volume 1 presents the Economic Report, the Financial Statement Discussion and Analysis, the audited summary financial statements of the Government, and financial reports on the Fiscal Stabilization Account and the Debt Retirement Account;

Volume 2 presents the audited Schedule of Public Sector Compensation Payments of $50,000 or more and the Government Departments' and Special Operating Agencies' payments in excess of $5,000 that do not require an audit; and

Volume 3 presents Supplementary Schedules and other statutory reporting requirements.

Nature des comptes publics

Les Comptes publics du Manitoba sont préparés tous les ans par obligation légale, conformément au paragraphe 65(1) de la *Loi sur la gestion des finances publiques*, chapitre F55 de la *Codification permanente des lois du Manitoba*. Les comptes publics présentent la situation financière sommaire du gouvernement et les résultats de ses activités pour l'exercice financier du gouvernement, qui se termine le 31 mars.

Les renseignements fournis dans le rapport proviennent de deux sources :

- le résumé de l'information financière présentée dans les comptes du Manitoba, qui sont tenus par le contrôleur de la province;
- les registres détaillés, qui sont tenus par les ministères, les organismes, les sociétés de la Couronne et les entreprises publiques.

Chacun des ministères et des organismes du secteur public est responsable du rapprochement de ses comptes et des comptes collectifs tenus par le contrôleur de la province, et de la tenue de registres détaillés de leurs opérations comptables.

Composition des Comptes publics du Manitoba

Les Comptes publics du Manitoba comprennent les volumes suivants :

Le **volume 1** présente le Rapport économique, le Rapport d'analyse des états financiers, les états financiers sommaires vérifiés du gouvernement, ainsi que les rapports financiers portant sur l'état annuel du solde à la fin de l'exercice en vertu de le compte de stabilisation des revenus et le compte de remboursement de la dette;

Le **volume 2** présente la liste vérifiée des paiements de rémunération du secteur public totalisant 50 000 $ ou plus, ainsi que les paiements totalisant plus de 5 000 $ qui n'exigent pas de vérification et qui sont versés par les ministères gouvernementaux et par les organismes de service spécial.

Le **volume 3** présente les annexes supplémentaires et les autres documents qui satisfont aux exigences législatives en matière de rapports.

Volume 4 is provided as a compendium of unaudited financial statements of special funds and audited financial statements of organizations, agencies and enterprises included in the Government Reporting Entity (GRE), but is not considered to be part of the Public Accounts of Manitoba.

Le **volume 4** est un recueil des états financiers vérifiés des fonds, des organisations de la Couronne, des organismes publics et des entreprises publiques inclus dans le périmètre comptable du gouvernement, mais il n'est pas considéré comme faisant partie des comptes publics du Manitoba.

Volume 1: Annual Report for the Year ended March 31, 2014 - This volume contains the following specific information:

Financial Statement Discussion and Analysis - This section provides a written commentary on the summary financial statements plus additional information on the financial and economic performance of the Provincial Government. The information contained in the Financial Statement Discussion and Analysis section is taken from the March 31, 2014 summary financial statements.

Summary Financial Statements - These audited statements disclose the financial impact of the Government's activities. Only the Government's summary financial statements provide the key information on the financial activities of the entire Government. The summary financial statements include the financial results of the approximately 180 different agencies the Government uses to deliver its goods and services. The GRE includes the core Government and Crown organizations, government business enterprises and public sector organizations such as regional health authorities, school divisions, universities and colleges. The departments and entities comprising the GRE are disclosed in Schedule 8 of the summary financial statements.

The summary financial statements also provide the following key financial information:

- the Government's financial position at March 31 each year
- the results of its operations for the year
- what revenue it brought in and what it spent (i.e. annual surplus or deficit)
- how much it borrowed, repaid or refinanced
- how it obtained and used its cash

Volume 1 : Rapport annuel pour l'exercice terminé le 31 mars 2014 - ce volume contient l'information financière suivante :

Analyse des états financiers - cette section fournit un exposé écrit des états financiers sommaires, ainsi que des renseignements complémentaires sur la performance financière et économique du gouvernement du Manitoba. Les renseignements contenus dans l'analyse des états financiers sont tirés des états financiers sommaires pour l'exercice terminé le 31 mars 2014.

États financiers sommaires - les états financiers sommaires sont des états vérifiés qui précisent l'incidence financière des activités du gouvernement. Seuls les états financiers sommaires du gouvernement fournissent des renseignements clés sur les activités financières de tout le gouvernement. Ces états comprennent les résultats financiers des 180 organismes différents dont se sert le gouvernement pour fournir des biens et des services. Le périmètre comptable du gouvernement inclut les opérations fondamentales du gouvernement, les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges. Les ministères et les organismes compris dans le périmètre comptable du gouvernement figurent à l'annexe 8 des états financiers sommaires.

Les états financiers sommaires contiennent les renseignements financiers clés suivants :

- la situation financière du gouvernement au 31 mars chaque année;
- les résultats des activités de l'exercice;
- le total des recettes et des dépenses (c'est-à-dire, l'excédent ou le déficit annuel);
- les sommes empruntées, remboursées ou refinancées;
- les sommes obtenues et la façon dont elles ont été utilisées.

Other Financial Reports – This section includes audited reports on information other than financial statements, including:

- the Fiscal Stabilization Account, and
- the Debt Retirement Account.

Volume 2: Supplementary Information - This volume contains the following specific information:

***Schedule of Public Sector Compensation* of $50,000 or More** - This audited schedule contains payments of $50,000 or more as paid through Government Departments as well as those paid by Special Operating Agencies, as required by *The Public Sector Compensation Disclosure Act*, and

Statement of Payments in Excess of $5,000 to Corporations, Firms, Individuals, Other Governments and Government Agencies - Included are details of Consolidated Fund and Special Operating Agencies' payments in excess of $5,000 to corporations, firms, individuals, other governments and government agencies.

Volume 3: Supplementary Schedules and Other Statutory Reporting Requirements - This volume contains unaudited statements, schedules and other information, as well as the following audited statement:
the Report of Amounts Paid or Payable to Members of the Assembly

Volume 4: This volume includes a compendium of unaudited financial statements of special funds and audited financial statements of organizations, agencies and enterprises included in the Government Reporting Entity, but is not considered to be part of the Public Accounts of Manitoba.

The Public Accounts of Manitoba are available on the Internet at:
www.fin.gov.mb.ca

Autres rapports financiers – cette section comprend des rapports vérifiés portant sur l'information financière autre que les états financiers, notamment :

- le compte de stabilisation des revenus;
- le compte de remboursement de la dette.

Volume 2 : Supplément d'information - ce volume contient l'information suivante :

Liste de la rémunération dans le secteur public - cette liste vérifiée présente les paiements totalisant 50 000 $ ou plus, qu'il s'agisse des paiements versés par les ministères gouvernementaux ou de ceux versés par les organismes de service spécial, conformément aux exigences de la *Loi sur la divulgation de la rémunération dans le secteur public*.

État des paiements de plus de 5 000 $ versés à des sociétés, à des entreprises, à des particuliers, à d'autres administrations publiques et à des organismes publics - cet état contient la liste des paiements de plus de 5 000 $ versés à même le fonds de fonctionnement ou par les organismes de service spécial à des sociétés, à des entreprises, à des particuliers, à d'autres administrations publiques et à des organismes publics.

Volume 3 : Annexes supplémentaires et autres rapports prévus par la loi - ce volume contient des états, des annexes et d'autres renseignements non vérifiés, à l'exception des deux états suivant :

- le rapport des sommes versées ou à verser aux membres de l'Assemblée législative;

Volume 4 : Ce volume comprend un recueil d'états financiers vérifiés de fonds, d'organisations, d'organismes et d'entreprises.

Les Comptes publics du Manitoba peuvent être consultés sur Internet à l'adresse suivante :
www.fin.gov.mb.ca

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS REPORT
Rapport d'analyse des états financiers

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2013/14 FINANCIAL HIGHLIGHTS

The highlights section provides a summary of the key events affecting the summary financial statements for the 2013/14 fiscal year with comparisons to results for the previous fiscal year, as applicable.

- The summary financial statements of the Province of Manitoba fully comply with Canadian generally accepted accounting principles for the public sector and received an unqualified audit opinion from the Auditor General of Manitoba. Certain figures have been restated to comply with the current presentation and changes in accounting policy (see financial statement notes).

- At the time of publication, the most recent estimates of the March 31st nominal and real GDP are used. This includes all prior year revisions and the latest available forecast.

- The global economic conditions continued to set the tone for overall growth. Overall, Manitoba's performance reflects diversity and balance in the economy. Manitoba Bureau of Statistics estimates that Manitoba's real Gross Domestic Product (GDP) grew 2.4% in 2013 following a 2.4% growth in 2012.

- The Government recorded a net loss of $522 million, which is $90 million higher than forecast in the Third Quarter Financial Report and $4 million higher than projected in Budget 2013.

- The 2013/14 results included revenue of $14,214 million that sustained program expenses of $13,915 million and public debt charges of $821 million.

- Public debt charges as a percentage of revenue have decreased slightly from 6.2% in 2012/13 to 5.8% in 2013/14, the lowest in ten years.

- The Province invested $1,333 million on new tangible capital assets during the year.

FAITS SAILLANTS 2013-2014

Les faits saillants résument les éléments clés des états financiers sommaires pour l'exercice financier 2013-14 et les comparent aux résultats de l'exercice financier précédent, s'il y a lieu.

- Les états financiers sommaires de la Province du Manitoba sont entièrement conformes aux principes comptables généralement reconnus au Canada pour le secteur public, et la vérificatrice générale du Manitoba a émis à leur sujet une opinion de l'auditeur sans réserve. Certains chiffres de 2012-2013 ont été reclassés pour les rendre conformes à la présentation adoptée en 2013-2014 (voir les notes aux états financiers).

- Au moment de la publication, les estimations les plus récentes du PIB nominal et réel au 31 mars sont utilisées. Cela comprend toutes les révisions de l'année précédente et les dernières prévisions disponibles.

- Les conditions économiques mondiales ont continué à être propices à la croissance globale. Dans l'ensemble, la performance du Manitoba reflète la diversité et l'équilibre de son économie. Statistique Canada estime que le PIB réel du Manitoba a augmenté de 2,4% en 2013, après une croissance de 2,4% en 2012.

- Le gouvernement a enregistré une perte nette de 522 millions de dollars, soit 90 millions de moins que prévu dans le rapport financier du troisième trimestre et 4 millions de moins qu'indiqué dans le Budget 2013.

- Les résultats de 2013-14 comprenaient des recettes de 14 214 millions de dollars, qui ont servi à couvrir des dépenses de programmes de l'ordre de 13 915 millions de dollars et à assumer des frais de la dette publique établis à 821 millions de dollars.

- Les frais globaux de la dette publique en pourcentage des recettes totales ont légèrement diminués, passant de 6,2% en 2012-13, à 5,8% en 2013-14, le plus bas en dix ans.

- La Province a investi 1 333 millions de dollars en nouvelles immobilisations corporelles au cours de l'exercice.

- The net debt position (the difference between total liabilities and financial assets) is $17,344 million at the end of 2013/14, up $1,451 million from its balance as at March 31, 2013. Net debt to GDP increased to 28.8% from 27.3% at March 31, 2013. The ratio of net debt to total revenues has increased to 122.0% from 116.7% at March 31, 2013.

- The accumulated deficit (the difference between total liabilities and financial and non-financial assets) is $6,625 million as at March 31, 2014, an increase of $689 million from March 31, 2013. The accumulated deficit to GDP ratio was 11.0%, up from 10.2% at March 31, 2013.

- La dette nette (le total des passifs moins les actifs financiers) s'élevait à 17 344 millions de dollars à la fin de 2013-14, une hausse de 1 451 millions de dollars par rapport au solde du 31 mars 2013. Le ratio entre la dette nette et le PIB est passé de 28,8% à 27,3% au 31 mars 2013. Celui entre la dette nette et les recettes totales est passé de 122,0% à 116,7% au 31 mars 2013.

- Le déficit accumulé (le total des passifs moins les actifs financiers et non financiers) s'établissait à 6 625 millions de dollars au 31 mars 2014, en augmentation de 689 millions de dollars par rapport au 31 mars 2013. Le ratio entre le déficit accumulé et le PIB a augmenté, pour se situer à 11,0%, contre 10,2% au 31 mars 2013.

FINANCIAL CONDITION OF THE GOVERNMENT

The Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPAC), through a statement of recommended practices, suggests a number of financial indicators to assist in the assessment of a government's financial condition. There are no established public sector benchmarks for these indicators. The indicators, expressed as ratios or trends, provide a picture of what has occurred over a period of years to facilitate comparisons and assist in the assessment of the Government's financial health in the context of the current economic and financial environment. The recommended indicators are grouped into three categories:

(1) ***Sustainability*** - measures a government's ability to maintain its programs without the need to increase its borrowings.

(2) ***Flexibility*** - how well a government can respond to rising financial commitments by either expanding its revenue or increasing its borrowings.

(3) ***Vulnerability*** - how much a government relies on revenue sources beyond its direct control or influence, both domestic and international.

Source of data and its limitations

The financial indicators in this report use key financial information from the audited summary financial statements. Economic information is obtained from Statistics Canada and the Manitoba Bureau of Statistics. Comparative data presented is not adjusted for inflation. Comparative results are restated to conform to any changes in accounting policy or presentation adopted in the current fiscal year. The financial indicators in this section present the results in the same format as presented in the Public Accounts of Manitoba.

The Government's 2013/14 Financial Condition

This section describes the Government's financial health using the CPAC's three indicator categories of sustainability, flexibility, and vulnerability. The section also describes each category and the related indicators. For each indicator, it provides trend data

LA SITUATION FINANCIÈRE DU GOUVERNEMENT

Le Conseil sur la comptabilité dans le secteur public de Comptables Professionnels Agréés Canada (CPAC) publie un énoncé de pratiques recommandées dans lequel il suggère divers indicateurs financiers utiles à l'évaluation de la situation financière des gouvernements. Les indicateurs proposés ne sont pas associés à des valeurs de référence pour le secteur public. Ils correspondent plutôt à des ratios ou à des indicateurs de tendance qui dressent le portrait de la situation pendant un nombre donné d'exercices, pour faciliter les comparaisons et aider à l'évaluation de la santé financière du gouvernement dans la conjoncture économique et financière courante. Les indicateurs recommandés sont regroupés dans trois catégories :

(1) La ***durabilité*** - mesure la capacité d'un gouvernement de maintenir ses programmes sans avoir à accroître ses emprunts.

(2) La ***flexibilité*** - mesure la capacité d'un gouvernement de faire face à des engagements financiers grandissants en accroissant ses recettes ou en s'endettant davantage.

(3) La ***vulnérabilité*** - mesure le degré de dépendance d'un gouvernement de sources de recettes qui échappent à son pouvoir direct ou à son influence, tant sur le plan national qu'international.

Les sources de données et leurs limites

Les indicateurs financiers présentés dans le présent rapport se fondent sur des données financières clés contenues dans les états financiers sommaires vérifiés. Les données économiques proviennent de Statistique Canada et du Bureau des statistiques du Manitoba. Les données comparatives présentées ne sont pas ajustées en fonction de l'inflation. Par contre, les résultats comparatifs sont ajustés pour tenir compte de la méthode comptable ou de la présentation adoptée au cours de l'exercice financier considéré. Les indicateurs financiers de la présente section montrent les résultats dans le même format que celui des Comptes publics du Manitoba.

La situation financière du gouvernement en 2013-14

La présente section décrit la santé financière du gouvernement à l'aide des trois catégories d'indicateurs de CPAC, soit la durabilité, la flexibilité et la vulnérabilité. Elle décrit également chacune des catégories et les indicateurs qui y sont associés. Pour

for Manitoba and highlights key trends.

chacun des indicateurs, on fournit des données et on souligne les principales tendances de la province.

Sustainability

As noted above, sustainability measures the ability of a government to meet its existing program commitments and creditor requirements without increasing its borrowings or tax burden.

Looking at trends for the following five indicators provides useful insight into the sustainability of a government's revenue-raising and spending practices:

- *Net Debt as a Percentage of Provincial GDP:* the relationship between a government's net debt and the income in the economy.
- *Net Debt-to-Total Annual Revenue:* the extent to which future revenues are required to pay for past transactions or events.
- *Accumulated Deficit-to-Provincial GDP:* the extent to which past and current deficits and surpluses influenced a government's ability to manage its indebtedness and operational challenges.
- *Annual Net Income (Loss):* the extent to which a government is living within its means.
- *Annual Net Income (Loss)-to-Provincial GDP:* the extent to which current period results influenced net debt.

Net Debt as a Percentage of Provincial GDP

The Government manages its revenue-raising and spending practices with due regard to the provincial economy. Looking at net debt and provincial GDP provides insights into these practices.

Net debt - the difference between a government's total liabilities and total financial assets - provides a measure of the future revenue required to pay for past

Durabilité

Comme nous l'avons indiqué plus tôt, les ratios de durabilité mesurent la capacité d'un gouvernement d'assumer les engagements pris dans le cadre de ses programmes et de répondre aux exigences de ses créanciers sans avoir à accroître ses emprunts ou le fardeau fiscal.

L'observation des tendances qui se dégagent des cinq indicateurs suivants permet de se faire une idée concrète de la durabilité des pratiques du gouvernement en matière de dépenses et de production de recettes :

- *la dette nette en pourcentage du PIB provincial :* la relation entre la dette nette d'un gouvernement et les résultats de l'économie.
- *la dette nette en pourcentage des recettes annuelles totales :* la mesure dans laquelle les recettes à venir serviront à payer des opérations ou des événements passés.
- *le déficit accumulé en pourcentage du PIB provincial :* la mesure dans laquelle les déficits et les excidents passés et actuels et les excédents influent sur la capacité d'un gouvernement de gérer son endettement et les difficultés dans ses activités.
- *les recettes nettes (pertes nettes) annuelles :* la mesure dans laquelle le gouvernement vit selon ses moyens.
- *les recettes nettes (pertes nettes) annuelles en pourcentage du PIB provincial :* la mesure dans laquelle les résultats de la période courante influent sur la dette nette.

La dette nette en pourcentage du PIB provincial

Le gouvernement adapte ses pratiques en matière de dépenses et de production de recettes en fonction de l'économie de la province. Le ratio entre la dette nette et le PIB provincial donne un aperçu des résultats de ces pratiques.

La dette nette, le total des passifs du gouvernement moins le total de ses actifs financiers, indique les recettes qui devront être utilisées pour assumer

transactions and events. Net debt as a percentage of provincial GDP (net debt to GDP ratio) measures the level of future financial obligations placed on the economy by a government's cumulative spending and revenue-raising practices. It provides a measure of how much debt a government is carrying relative to the province's annual economic output.

financièrement des opérations ou des événements passés. La dette nette en pourcentage du PIB provincial (ratio de la dette nette au PIB) exprime le niveau d'obligations financières que devra assumer l'économie en raison des pratiques cumulatives en matière de dépenses et de production de recettes. Le pourcentage représente l'ampleur de la dette du gouvernement par rapport aux résultats économiques annuels de la province.

Investment in capital improvements and replacement of deteriorating tangible capital assets, such as transportation infrastructure, also result in increased net debt. As the tangible capital investments are acquired, debt is incurred and then costs are amortized over their future useful life, essentially allocating costs to the period over which the assets will be used and over a period in which revenue will be generated.

Des investissements dans l'amélioration des immobilisations et dans le remplacement des immobilisations corporelles sujettes à la détérioratio, comme les infrastructures de transport, peuvent également accroître la dette nette. Au fur et à mesure que la province acquiert des immobilisations corporelles, elle contracte une dette, et le coût des nouvelles immobilisations est ensuite amorti sur leur vie utile, essentiellement en le passant en charges sur la période pendant laquelle les immobilisations seront utilisées et sur la période pendant laquelle elles produiront des recettes.

Growth in GDP must be taken into account to determine capacity to support debt. The GDP is a measure of the value of the goods and services produced in the Province during a given year. The GDP indicates the size of the provincial economy. The provincial economy grew steadily from $50,683 million in 2009/10 to $60,315 million in 2013/14 or by 19.0% during the five-year period. During this period, the annual consumer price index fluctuated between 0.6% and 3.0%.

La croissance du PIB doit être prise en compte pour déterminer la capacité d'endettement. Le PIB est une mesure de la valeur des biens et des services produits dans la province au cours d'une année donnée. Il indique la taille de l'économie provinciale. L'économie provinciale a progressé de façon constante, passant de 50 683 millions de dollars en 2009-2010 à 60 315 millions de dollars en 2013-14, ce qui représente une croissance de 19,0% sur la période de cinq ans. Pendant cette période, l'indice annuel des prix à la consommation a oscillé entre 0.6% et 3.0%.

Graph 1 shows the net debt to GDP ratio at March 31, 2014 was 28.8%, compared to 27.3% in the previous year. The increase in net debt in 2013/14 is primarily related to investments in tangible capital assets, including infrastructure spending, and the operating loss. Continued investment in infrastructure, including repairing the damage caused by the 2011 flood and the investments to mitigate the impact of any future flood costs, has resulted in costs similar to those seen in 2012/13. Net debt for 2013/14 included a loss in other comprehensive income (OCI) of $167 million, recorded by government business enterprises (GBEs). OCI represents unrealized gains or losses calculated at a point in time and can have significant impact on the measurement of net debt. OCI is measured as the change in "mark-to-market" valuations, interest rates, and foreign exchange rates at year end, and therefore is a one-day snapshot of the change in value when compared to the same day in the previous year. Managing net debt while maintaining or increasing investment in capital is a challenge faced by many

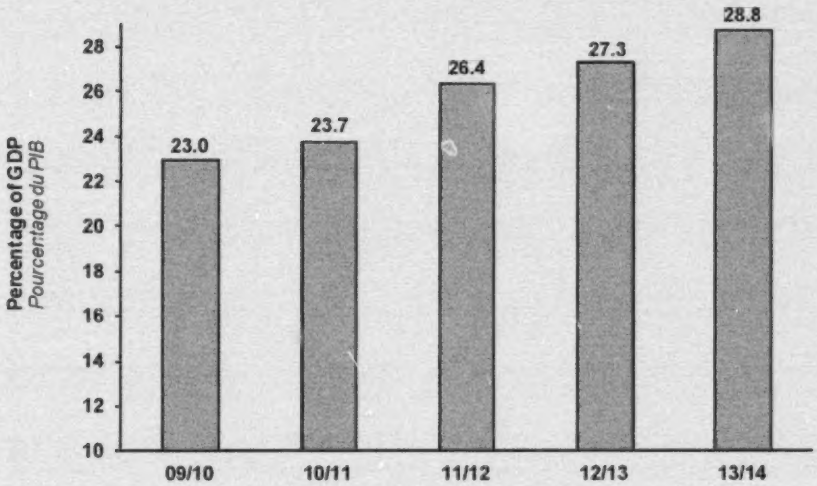
Le diagramme 1 montre que le ratio de la dette nette au PIB était de 28,8% au 31 mars 2014, contre 27,3% à la fin de l'exercice précédent. L'augmentation de la dette nette en 2013-14 est principalement liée aux investissements en immobilisations corporelles, lesquels comprennent une augmentation des dépenses en matière d'infrastructure et la perte d'exploitation. Les investissements continus de visant l'infrastructure, dont la réparation des dommages causés par l'inondation de 2011 et les mesures d'atténuation des répercussions des coûts liés à toute inondation future, ont engendré des dépenses similaires à celles enregistrées en 2012-2013. La dette nette pour 2013-14 comprenait une perte des autres éléments du résultat étendu enregistrée par les entreprises publiques de 167 million de dollars. Les autres éléments du résultat étendu représentent les profits ou pertes non réalisés calculés à un moment donné, et peuvent avoir des effets importants sur la mesure de la dette nette. Ils sont mesurés par rapport au changement dans les évaluations à la valeur de marché, dans les taux d'intérêt et dans les cours des devises

Provinces in Canada today. Manitoba is doing fairly well during this tenuous economic recovery and compared to other Provinces Manitoba has the 5th lowest net debt to GDP ratio.

étrangères en fin d'exercice, et donnent donc un aperçu ponctuel du changement des valeurs par rapport au même jour de l'exercice précédent. Gestion de la dette nette, tout en maintenant ou en augmentant l'investissement dans le capital est un défi à relever par plusieurs provinces au Canada aujourd'hui. Manitoba est assez bien fait au cours de cette reprise économique fragile et par rapport à d'autres provinces, Manitoba a la dette nette au cinquième rang par rapport au PIB.

Graph 1/Diagramme 1

Net Debt as a Percentage of Provincial GDP
Dette nette en pourcentage du PIB provincial



Net Debt-to-Total Annual Revenue

Net debt is the amount that current and past generations have accumulated through annual losses and tangible capital investment. These amounts remain an obligation for future generations to fund through annual net income or to continue to carry as debt. It results when a government's total liabilities exceed total financial assets. A trend of increasing net debt-to-total annual revenue would indicate that an increasing amount of time will be needed to eliminate net debt.

La dette nette en pourcentage des recettes annuelles totales

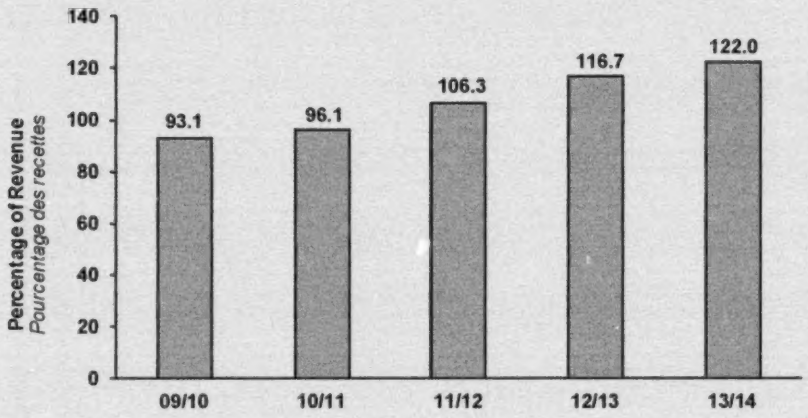
La dette nette correspond à la somme des pertes et des investissements en immobilisations corporelles accumulée d'exercice en exercice par les générations actuelles et passées. Cette somme est une dette que les générations futures doivent continuer à reporter ou financer à même les recettes nettes annuelles et et réduit par les charges non monétaires tels que l'amortissement annuels. On obtient une dette nette lorsque le total des passifs d'un gouvernement excède le total de ses actifs financiers. Une tendance à l'augmentation de la dette nette par rapport aux recettes annuelles totales signifierait que plus de temps serait nécessaire à l'élimination de la dette nette.

Since 2009/10, the net-debt-to total annual revenue has increased from 93.1% to 122.0%, reflecting the impact of the economic downturn and increased investments in tangible capital assets, including continued infrastructure spending to stimulate the economy. Graph 2 shows the current historical trend of net debt to annual revenues. The change over time of the ratio of net debt to total annual revenue resulted from a combination of changes in net debt (see "Net Debt and Accumulated Deficit" section on page 58 for annual changes) and revenues (see "Revenue" on pages 49-51 for annual changes).

Depuis 2009-2010, le ratio de la dette nette aux recettes annuelles totales est passé de 93,1% à 122,0%, reflétant les effets du ralentissement économique et la croissance des investissements en immobilisations corporelles, lesquels comprennent les dépenses de relance dans l'infrastructure. Le diagramme 2 illustre la tendance actuelle de la capacité du gouvernement à éliminer la dette nette. Le changement, au fil du temps, du ratio de la dette nette aux recettes annuelles totales est issu de la combinaison de changements dans la dette nette (voir la section intitulée « Dette nette et déficit accumulé », page 58, pour les changements annuels) et les recettes (voir « Recettes », pages 49 à 51, pour les changements annuels).

Graph 2/Diagramme 2

Net Debt to Total Annual Revenue
Dette nette en pourcentage des recettes annuelles totales



Accumulated Deficit-to-Provincial GDP

The accumulated deficit is the sum of all annual surpluses and deficits incurred to date, calculated according to current accounting policies. The accumulated deficit includes OCI, which is excluded from the calculation of the annual net income or loss. In accordance with recommendations of PSAB, OCI is not included in the Government's annual net operating results, but is instead recorded directly to the Province's statement of accumulated deficit. An OCI loss of $167 million (2012/13 - $32 million loss) was recognized for 2013/14.

Le déficit accumulé en pourcentage du PIB provincial

Le déficit accumulé est la somme de tous les excédents et déficits accumulés d'exercice en exercice jusqu'à ce jour, obtenue d'après des calculs conformes aux méthodes comptables en vigueur. Il comprend les autres éléments du résultat étendu, qui sont exclus du calcul des recettes nettes ou des pertes nettes de l'exercice. Conformément aux recommandations du Conseil sur la comptabilité dans le secteur public (CCSP), les autres éléments du résultat étendu (gains ou pertes) ne sont pas compris dans les résultats nets des activités de l'exercice du gouvernement, mais sont plutôt inscrits directement dans l'état du déficit accumulé de la Province. Les autres éléments du résultat étendu en

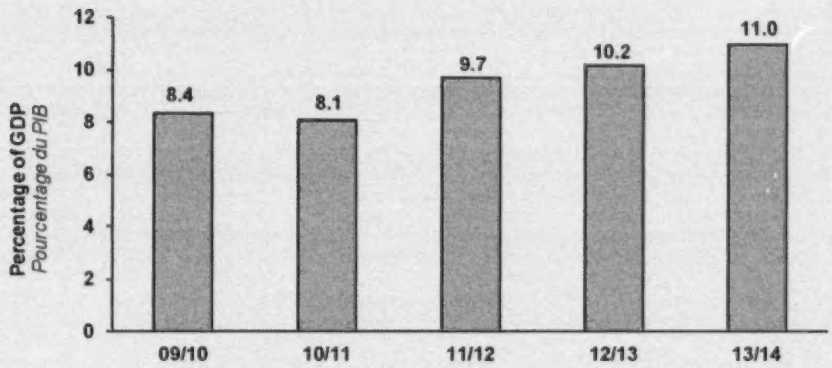
The accumulated deficit as at March 31, 2014 increased $2,389 million from 2009/10. Increases are primarily the result of the Province's continued losses incurred during the economic recovery period as a result of the global economic downturn and costs attributable to the unprecedented flood of 2011. Graph 3 shows the trend in accumulated deficit to provincial GDP since 2009/10.

2013-14 représentent 167 millions de dollars de pertes (contre 32 millions de dollars de pertes en 2012-2013).

Au 31 mars 2014, le déficit accumulé avait augmenté de 2 389 millions de dollars par rapport à 2009-2010. Cette augmentation a été principalement due aux pertes récentes encourues à la suite du ralentissement économique mondial et aux coûts attribuables aux inondations sans précédent de 2011. Diagramme 3 montre l'évolution du déficit accumulé au PIB provincial depuis 2009/10.

Graph 3/Diagramme 3

Accumulated Deficit-to-Provincial GDP
Déficit accumulé en pourcentage due PIB provincial



Annual Net Income (Loss)

The annual net income (loss) shows the extent to which a government generates revenues more or less than its operating expenses in one fiscal year.

Annual net income helps the Government maintain its services and provides an opportunity to lessen its borrowing needs. The annual net loss for the year ended March 31, 2014 was $522 million.

Les recettes nettes (pertes nettes) annuelles

Les recettes (pertes) nettes montrent la mesure dans laquelle le gouvernement génère plus ou moins de recettes que ses dépenses de fonctionnement pendant un exercice financier.

Les recettes nettes annuelles aident le gouvernement à maintenir ses services et à réduire ses besoins en matière d'emprunts. Les pertes nettes de l'exercice qui s'est terminé le 31 mars 2014 s'élevaient à 522 millions de dollars.

Annual Net Income (Loss)-to-Provincial GDP

The ratio of net income (loss)-to-provincial GDP measures the difference between revenues and expenses expressed as a percentage of GDP.

Like many other provinces and the Government of Canada, Manitoba is also experiencing the lingering effects of the global recession and the slowdown in the global recovery.

Table 1 shows the five year trend in annual income. See pages 49 – 51 for further analytical discussion on revenues. See page 48 for further analytical discussion on summary results.

Les recettes nettes (pertes nettes) en pourcentage du PIB provincial

Le ratio des recettes nettes au PIB provincial mesure la différence entre les recettes et les dépenses en pourcentage du PIB.

Comme beaucoup d'autres provinces et le gouvernement fédéral, Manitoba connaît également les effets persistants de la récession mondiale et le ralentissement de la reprise mondiale.

Tableau 1 montre la tendance sur cinq ans dans le revenu annuel. Voir les pages 49 - 51 pour une analyse complémentaire des données sur les recettes. Voir les page 48 pour une analyse complémentaire des résultats sommaires.

Table 1/Tableau 1

Annual Net Income (Loss)
Les recettes nettes (pertes nettes) annuelles

Revenue and Expense Items *Éléments des recettes et des dépenses*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*	**2009/2010 Actual** *Chiffres réels de 2009-2010*
	($ millions)/(*en millions de dollars*)				
Revenue *Recettes*	14,214	13,614	13,688	13,069	12,502
Total Expenses *Dépenses totales*	14,736	14,174	14,689	13,250	12,687
Summary Net Income (Loss) *Recettes (pertes) nettes sommaires*	(522)	(560)	(1,001)	(181)	(185)
Annual Net Income (Loss) to Provincial GDP *Recettes (pertes) nettes en pourcentage du PIB provincial*	(0.9%)	(1.0%)	(1.8)%	(0.3)%	(0.4)%

Flexibility

Flexibility is the degree to which a government can increase financial resources to respond to rising commitments either by expanding its revenue or by increasing its net debt.

PSAB has recommended a number of financial indicators that assess a government's flexibility. The following indicators are considered applicable to provide insight into the Manitoba Government's flexibility:

- *Public Debt Charges to Total Revenue:* the extent to which borrowing decisions constrain a government's ability to meet financial and

Flexibilité

La flexibilité mesure la capacité d'un gouvernement d'augmenter ses ressources financières pour faire face à des engagements croissants en augmentant ses recettes ou sa dette nette.

Le Conseil sur la comptabilité dans le secteur public recommande l'usage de divers indicateurs financiers pour juger de la flexibilité du gouvernement. Parmi ceux-ci, on considère que les indicateurs suivants aident à apprécier la flexibilité du gouvernement du Manitoba:

- *les frais de la dette publique en pourcentage des recettes totales :* mesure dans laquelle les décisions en matière d'emprunts restreignent la

service commitments.

- *Own-source Revenue to Provincial GDP:* the extent to which a government is taking income out of the economy through taxation and user fees.
- *Annual Change to Net Book Value of Tangible Capital Assets:* the extent to which net changes in tangible capital assets affect future service potential.
- *Net Book Value of Tangible Capital Assets to Cost of Tangible Capital Assets:* the extent to which the estimated useful lives of the Government's tangible capital assets are available to provide its products and services.

capacité d'un gouvernement de faire face à ses engagements financiers et d'assurer la prestation des services prévus.

- *les recettes autonomes en pourcentage du PIB provincial :* mesure dans laquelle le gouvernement prélève des revenus dans l'économie sous forme d'impôts et de droits d'utilisation.
- *la variation annuelle de la valeur comptable nette des immobilisations corporelles :* mesure dans laquelle la variation nette des immobilisations corporelles touche le potentiel futur de services.
- *la valeur comptable nette des immobilisations corporelles en pourcentage de leur coût :* mesure dans laquelle la vie utile estimative des immobilisations corporelles d'un gouvernement lui permet de fournir des produits et des services.

Public Debt Charges to Total Revenue

The amount of public debt charges (interest costs) as a percentage of total revenue shows the extent to which a government must use revenue to pay for interest costs rather than to pay for services. The ratio shows how much of every dollar of a government's revenue is needed to pay interest. A lower ratio of interest costs as a percentage of revenue means a government uses a smaller proportion of its revenue to pay for interest costs.

Graph 4 shows that in 2009/10, the Government used 6.0 cents of every dollar of its revenue to pay interest. In 2013/14, 5.8 cents of every dollar of revenue was used. This was the lowest in ten years. The reductions in interest costs relative to increases in revenue have given the Government more resources to provide services.

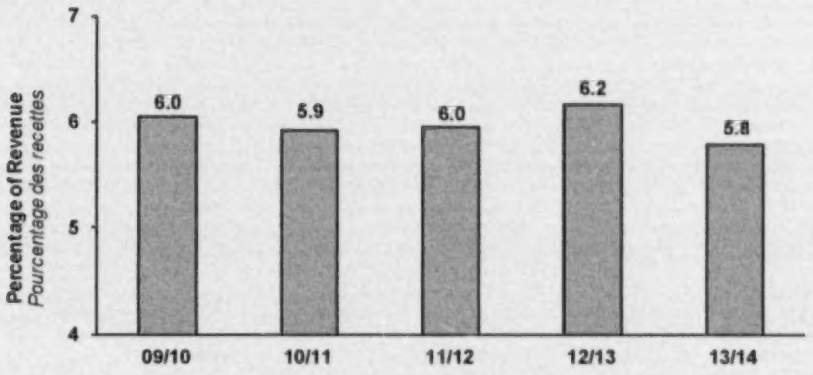
Les frais de la dette publique en pourcentage des recettes totales

La somme des frais de la dette publique (frais d'intérêt) en pourcentage des recettes totales montre la mesure dans laquelle un gouvernement doit utiliser des recettes pour payer des frais d'intérêt plutôt que des services. Le ratio montre la proportion par dollar de recettes du gouvernement qui sert à payer les intérêts. Un faible ratio entre les frais d'intérêt et les recettes indique que le gouvernement consacre une faible part de ses recettes aux frais d'intérêt.

Dans le diagramme 4, on observe qu'en 2009-2010, le gouvernement utilisait 6,0 cents par dollar de recettes pour assumer les frais d'intérêt. En 2013-14, il a utilisé 5,8 cents par dollar de recettes pour la même fin qui était le taux le plus bas en dix ans. La réduction des frais d'intérêt relative à l'augmentation des recettes a fait en sorte que le gouvernement dispose de plus de ressources qu'avant pour la prestation de services.

Graph 4/Diagramme 4

Public Debt Charges to Total Revenue
Frais de la dette publique en pourcentage des recettes totales



Own-source Revenue to Provincial GDP

A government's own-source revenue as a percentage of provincial GDP shows how much revenue from the provincial economy a government can raise through taxation and user fees. High ratios or increases in ratios mean a government is placing higher demands on its provincial economyindicating that its demands are outpacing growth in the economy.

Since 2009/10, Government's own-source revenue (i.e., revenue raised from within the Province) has been consistent. This indicates that Government has not significantly changed its normal demands on the provincial economy over this time period.

In this report, own-source revenue does not include the net income from GBEs as these entities operate outside of the core government operations, given the semi-autonomous nature of their operations. Their revenues are not derived from taxation or user fees, but from the supply of product or services.

Graph 5 shows the relationship between the ratios of own-source revenue to Provincial GDP. GDP increased from $50,683 million in 2009/10 to $60,315 million in 2013/14 or 19.0%. The rate of own-source revenues remained stable in relation to the economy from 15.4% of GDP in 2009/10 to

Les recettes autonomes en pourcentage du PIB provincial

Les recettes autonomes en pourcentage du PIB provincial montrent la part de recettes que le gouvernement prélève de l'économie provinciale sous forme d'impôts et de droits d'utilisation. Des ratios élevés ou à la hausse signifient que le gouvernement augmente les pressions qui s'exercent sur l'économie provinciale, indiquant que ses besoins dépassent la croissance de l'économie.

Depuis 2009/10, les revenus de source propre du gouvernement (les recettes provenant de la Province même) sont demeurés stables Ce qui indique que le gouvernement n'a pas changé de manière significative ses exigences sur l'économie de la province au cours de cette période.

Dans ce rapport les recettes autonomes ne comprennent pas les bénéfices nets des entreprises publiques étant donné leur nature semi-autonome et le fait que les opérations de ces entités sont exclues des opérations fondamentales du gouvernement. Leurs recettes ne proviennent pas d'impôts ou de droits d'utilisation, mais de l'offre de produits ou de services.

Le diagramme 5 montre la relation entre les ratios des recettes autonomes par rapport au PIB provincial. Le PIB est passé de 50 683 millions de dollars en 2009-2010 à 60 315 millions de dollars en 2013-14, enregistrant un bond de 19,0%. Le taux des recettes autonomes est demeuré stable par rapport à l'économie. Il est passé

15.9% in 2013/14. Own-source revenues increased by $667 million or 7.5% from $8,922 million in 2012/13 to $9,589 million in 2013/14. The main contributors to the increase are as follows:

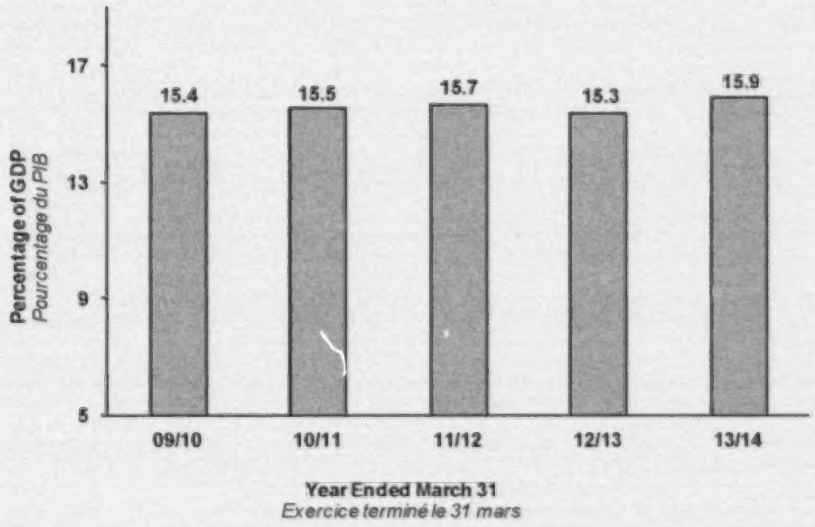
- Revenue from income taxes increased by $144 million, or 4.4%.
- Revenue from retail sales tax increased $261 million, or 14.8%.
- Revenue from other taxes increased $97 million, or 6.1%.
- Revenue from fees and other revenues increased by $165 million, or 8.2%.

de 15,4% du PIB en 2009-2010 à 15,9% en 2013-14. Les recettes autonomes ont augmenté de 667 millions de dollars ou 7,5%, passant de 8 922 millions de dollars en 2012-2013 à 9 589 millions de dollars en 2013-14. Les principaux facteurs de l'augmentation sont les suivants :

- Les impôts sur le revenu sont accrus de 144 millions de dollars, ou 4,4%.
- Les recettes issues de la taxe sur les ventes au détail ont augmenté de 261 millions de dollars, soit de 14,8%.
- les recettes tirées d'autres taxes et impôts se sont accrues de 97 millions de dollars, ou 6,1%.
- les droits perçus et autres recettes se sont accrus de 165 millions de dollars, ou 8,2%.

Graph 5/Diagramme 5

Own Source Revenue to Provincial GDP
Recettes autonomes en pourcentage du PIB provincial



Annual Change to Net Book Value of Tangible Capital Assets

Tangible capital assets (TCAs) such as buildings, equipment, roads and dams are essential for the economy and for delivering government services.

The annual percentage change in the net book value of tangible capital assets measures the extent to which a government is maintaining, or failing to maintain, the tangible capital assets it needs to deliver its services. An increase means a government has spent more on these assets than it has reduced their value because of age and use (commonly called amortization or depreciation).

Continual increases in the net book value of tangible capital assets may indicate that a government is maintaining or enhancing its tangible capital asset base, which may lead to lower future maintenance or replacement costs because of decreased deterioration. Investing in TCAs creates jobs, promotes economic growth and ensures the continued provision of future services.

By recognizing the growing infrastructure needs in various sectors and the need to support continued growth in the economy, the Government is investing in public capital assets such as new or renewed hospitals, universities and colleges, and Manitoba's highway system. In 2013/14, $1,333 million was invested on new tangible capital assets, there were $179 million in disposals or write downs, and the net book value of all tangible capital assets was reduced by $554 million to account for annual amortization. The Government held significant tangible capital assets with a net book value of $10,599 million at March 31, 2014 ($9,842 million at March 31, 2013).

See pages 60 - 62 for further analytical discussion on tangible capital assets.

La variation annuelle de la valeur comptable nette des immobilisations corporelles

Les immobilisations corporelles, comme les immeubles, l'équipement, les routes et les barrages, sont essentielles à l'économie et à la prestation des services publics.

La variation annuelle en pourcentage de la valeur comptable nette des immobilisations corporelles indique la mesure dans laquelle un gouvernement entretient ou omet d'entretenir les immobilisations corporelles dont il a besoin pour fournir ses services. Une hausse signifie que le gouvernement a investi plus dans ses actifs que la valeur perdue par ceux-ci en raison de l'âge et de l'usure (appelée communément amortissement ou dépréciation).

La hausse continuelle de la valeur comptable nette des immobilisations corporelles peut indiquer qu'un gouvernement entretient ou améliore l'ensemble de ses immobilisations, mais peut entraîner une réduction des coûts futures d'entretien et de remplacement en raison d'une détérioration moindre. Investir dans les immobilisations corporelles crée des emplois, favorise la croissance économique et d'assurer la fourniture continue de services futurs.

Reconnaissant les besoins croissants en infrastructure dans divers secteurs et la nécessité de soutenir la croissance continue dans l'économie, le gouvernement investit dans les immobilisations publiques, comme la rénovation ou la construction d'hôpitaux, d'universités et de collèges, l'atténuation des inondations et l'amélioration du réseau routier du Manitoba. En 2013-14, on a investi 1 333 millions de dollars dans de nouvelles d'immobilisations corporelles, avec 179 millions en immobilisations corporelles existantes qui en été cédées ou dévaluée. La valeur nette comptable de l'ensemble des immobilisations corporelles a été réduite de 554 millions de dollars en amortissement annuel. La valeur compatable nette des immobilisations corporelles du gouvernement s'élevait à plus de 10 599 millions de dollars le 31 mars 2014 (9 842 le 31 mars 2013).

Voir les pages 60 à 62 pour une analyse complémentaire des données sur les immobilisations corporelles.

Net Book Value of Tangible Capital Assets to Cost of Tangible Capital Assets

The ratio of the net book value of tangible capital assets to the cost of tangible capital assets is important because it illustrates the relationship of the estimated useful life of government assets that is available to provide future service.

Graph 6 shows that the Government has been consistent in its management of capital to deliver services. Total tangible capital cost increased $1,154 million from $16,719 million in 2012/13 to $17,873 million in 2013/14. Total additions to capital assets in 2013/14 were $1,333 million (2012/13 - $1,273 million). The total cost of assets under construction, including infrastructure, as at March 31, 2014 is $1,141 million (2012/13 - $1,217 million). Assets under construction are not depreciated (amortized) until they are put into service. The $1,333 million in additions includes spending of $582 million in buildings and leasehold improvements, and $430 million for infrastructure projects such as road grading and surfacing and a number of bridge and structure projects. (See pages 60 - 62 for further analysis and discussion on tangible capital assets.)

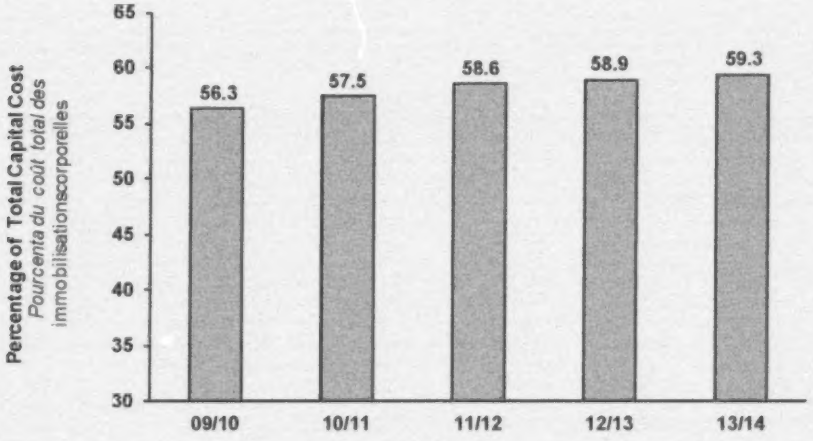
La valeur comptable nette des immobilisations corporelles en pourcentage de leur coût

Le ratio de la valeur comptable nette des immobilisations corporelles à leur coût est très utile, car il est associé à la vie utile estimative des immobilisations corporelles dont le gouvernement disposera pour fournir des services futurs.

Le diagramme 6 montre que le gouvernement a maintenu de façon constante les immobilisations utiles à sa prestation de services. Le coût global des immobilisations corporelles a augmenté de 1 154 millions de dollars, passant de 16 719 millions de dollars en 2012-2013 à 17 873 millions de dollars en 2013-2014. Total des ajouts aux immobilisations en 2013-2014 étaient 1,333 millions de dollars (1,273 millions de dollars en 2012-2013). Pour l'exercise terminé le 31 mars 2014, le coût global des immobilisations en construction y compris les infrastructures, était de 1 141 millions de dollars (contre 1 217 millions de dollars en 2012-2013). Les immobilisations en construction ne sont pas amorties avant le début de leur utilisation. Les 1 333 millions de dollars comprennent 582 millions de dépenses consacrées à la construction de bâtiments et à des améliorations locatives, ainsi que 430 millions de dollars consacrés aux projets d'infrastructure comme le nivellement et le surfaçage des routes, et plusieurs projets de ponts et autres ouvrages. (Voir les pages 60 et 62 pour une analyse et une discussion complémentaires au sujet des données sur les immobilisations corporelles.)

Graph 6/Diagramme 6

Net Book Value of Tangible Capital Assets to Cost of Tangible Capital Assets
Valeur compatable nette des immobilisations coreporelles en pourcentage de leur coût



Vulnerability

Vulnerability is the degree to which a government is dependent upon, and therefore, vulnerable to flutuations in sources of revenue outside of its direct control or influence. A high degree of dependency may indicate a government is reliant on outside sources of financing to deliver programs and services at the current level and quality. However, outside sources of financing when applied to capital projects and other one-time or non-operational programs may not materially increase a government's revenue vulnerability.

Recommended indicators for providing insight into the Government's vulnerability include:

- *Federal Transfers to Own-source Revenue;*
- *Federal Transfers to Total Revenue; and*
- *Foreign Currency Debt to Net Debt.*

Vulnérabilité

La vulnérabilité correspond au degré de dépendance du gouvernement, et donc de vulnérabilité aux fluctuations, par rapport aux sources de recettes qui ne dépendent pas directement de lui ni de son influence. Un degré de dépendance élevé peut indiquer qu'un gouvernement compte sur des sources de financement externes pour offrir la même gamme et qualité de programmes et services. Cependant, des sources extérieures de financement affectées aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'augmentent pas nécessairement la vulnérabilité d'un gouvernement envers les sources de revenu.

Les indicateurs recommandés pour apprécier la vulnérabilité du gouvernement comprennent :

- *les transferts fédéraux en pourcentage des recettes autonomes;*
- *les transferts fédéraux en pourcentage des recettes totales;*
- *la dette en devises en pourcentage de la dette nette.*

Revenue from Federal Government Transfers

Transfers from the Government of Canada are a significant source of revenue for Manitoba, accounting for about 27.0% of total summary provincial revenues in 2013/14, down from 29.0% in 2012/13. As a result, the province's fiscal position can be somewhat vulnerable, at least in the short term, to material reductions in federal transfers.

Major federal transfers include Equalization (an unconditional grant to qualifying provinces), the Canada Health Transfer (a block transfer in support of health care services) and the Canada Social Transfer (a block transfer in support of post-secondary education, social assistance and social services, including early childhood development and early learning and child care).

The Equalization Program is the Government of Canada's main transfer program for addressing fiscal disparities (differences in revenue-raising capacity) among provinces. It was entrenched in Canada's Constitution in 1982. Equalization payments are intended to make it possible for receiving provinces to provide their residents with public services that are reasonably comparable to those in other provinces, at reasonably comparable levels of taxation.

Manitoba received $1,799 million in Equalization in 2013/14, including $6.9 million in federal Total Transfer Protection payments. Equalization accounted for about 12.7% of total 2013/14 summary provincial revenues.

The Canada Health Transfer (CHT) and Canada Social Transfer (CST) are set in legislation up to 2013/14 and, together with their respective 6% and 3% annual automatic escalators, help ensure stable and predictable federal support over the medium-term. Total CHT support is allocated using a formula that takes into account legislated cash levels, population, and the equalized value of transferred tax points, while the CST has been allocated on an equal per capita cash basis since 2007/08.

Manitoba received $1,524 million in combined CHT and CST revenues in 2013/14, or about 10.7% of total provincial summary revenues. Increases in annual CHT support reflect the 10-Year Plan to Strengthen

Les recettes provenant des transferts du gouvernement fédéral

Les transferts du gouvernement du Canada constituent une source de revenus importante pour le Manitoba, représentant environ 27,0% du total des recettes sommaires provinciales en 2013-14 (baisse de 29,0% en 2012-2013). En conséquence, la situation financière de la province peut être un peu vulnérable, au moins à court terme, à des réductions importantes dans les transferts fédéraux.

Les principaux transferts fédéraux comprennent la péréquation (une subvention inconditionnelle aux provinces admissibles), le Transfert canadien en matière de santé (un transfert global visant le financement des soins de santé) et le Transfert canadien en matière de programmes sociaux (financement global pour les études postsecondaires, l'aide sociale et les services sociaux, y compris le développement, l'apprentissage et la garde des jeunes enfants).

Le programme de péréquation est le principal programme de transfert du gouvernement canadien conçu pour aplanir les disparités fiscales (les différences dans la capacité des provinces de générer des revenus) entre les provinces. Il a été inscrit dans la Constitution du Canada en 1982. L'objectif des paiements de péréquation est de permettre aux gouvernements provinciaux bénéficiaires de fournir à leurs résidents des services publics sensiblement comparables à ceux offerts dans d'autres provinces à des taux d'imposition sensiblement comparables.

En 2013-14, le Manitoba a reçu 1 799 millions de dollars en paiements de péréquation, dont 6,9 millions de dollars en paiements de protection sur les transferts fédéraux totaux. Les paiements de péréquation représentaient environ 12,7% du total des recettes sommaires provinciales en 2013-14.

Le Transfert canadien en matière de santé (TCS) et le Transfert canadien en matière de programmes sociaux (TCPS) sont inscrits dans la loi jusqu'en 2013-2014. Leurs niveaux, qui augmenteront au moyen des facteurs de progression annuelle de 6 % et de 3 % respectivement, aident à garantir un appui fédéral stable et prévisible à moyen terme. Les montants totaux du TCS sont alloués en fonction, de la population et de la valeur des transferts de points d'impôts après péréquation, tandis que le TCPS est calculé selon un montant en espèces égal par habitant depuis 2007-2008.

En 2013-14, le Manitoba a reçu 1 524 millions de dollars en paiements combinés du TCS et du TCPS, ce qui représentait environ 10,7% du total des recettes sommaires provinciales. Les augmentations du financement annuel du

Health Care, an agreement signed by all First Ministers in 2004 that resulted in $41 billion in new federal funding over 10 years (2004/05 to 2013/14).

TCS reflètent les dispositions du Plan décennal pour consolider les soins de santé, adopté par les premiers ministres en septembre 2004, par lequel le gouvernement fédéral s'est engagé à verser 41 milliards de dollars en nouveaux fonds aux provinces et aux territoires pendant une période de dix ans (de 2004-2005 à 2013-2014).

Long-term and growing federal support through the CHT and CST contributes to national objectives by helping ensure provinces and territories have the resources they need to provide essential services in areas such as health care, post-secondary education (PSE), child programming and social services.

Le soutien croissant et à long terme du gouvernement fédéral dans le cadre du TCS et du TCPS va dans le sens des objectifs nationaux en aidant les provinces et les territoires à obtenir les ressources qu'il leur faut pour assurer des services essentiels dans des domaines tels que les soins de santé, l'enseignement postsecondaire, les programmes destinés aux enfants et les services sociaux.

The current outlook for transfers from the Government of Canada is based on existing federal-provincial-territorial funding arrangements. While the Province has no direct control over the amount it receives each year, it does have some opportunity to influence the framework and direction of fiscal transfers through consultations with the Government of Canada.

Les perspectives actuelles d'évolution des transferts du gouvernement canadien sont fondées sur les modalités du financement fédéral-provincial-territorial existantes. Bien que la province n'exerce pas de contrôle direct sur le montant qu'elle reçoit chaque année, elle a tout de même une certaine influence sur les grandes lignes et l'orientation des transferts fiscaux dans le cadre de ses consultations avec le gouvernement du Canada.

In 2012/13, the Government of Canada confirmed its intentions regarding the renewal of the major transfer programs. Both the CST and CHT were extended for 10 years and will be now be allocated on an equal per capita basis starting in 2014/15. A key change is a likely reduction in the annual growth of health care supports through the CHT beginning in 2017/18. The federal government also announced the current "capped" Equalization Program would be extended for five years to 2018/19.

En 2012-13, le gouvernement du Canada a confirmé son intention de renouveler les principaux programmes de transferts. Le TCS et le TCPS ont été prolongés pour 10 ans, et seront maintenant alloués selon un montant égal par habitant à compter de 2014-2015. Un changement à noter est la réduction probable de la croissance annuelle des soutiens pour les soins de santé dans le cadre du TCS à compter de 2017-2018. Le gouvernement fédéral a aussi annoncé que le programme actuel de péréquation « plafonné » sera prolongé pour cinq ans à compter de 2018-2019.

Federal Transfers to Own-source Revenue

Les transferts fédéraux en pourcentage des recettes autonomes

Federal transfers as a percentage of own-source revenue measures the extent to which a province raises its own revenue from within the province, as compared to the amount it receives from the Government of Canada. A high percentage may indicate a provincial government relies a great deal on federal transfers to operate. However, where federal funds are applied to capital projects, one-time programs or used for other non-operational purposes, reliance may not be substantially increased.

Le ratio des transferts fédéraux aux recettes autonomes établit le rapport entre les fonds versés par le gouvernement du Canada et la mesure dans laquelle le gouvernement provincial génère ses propres recettes dans la province. Un pourcentage élevé peut indiquer que le gouvernement provincial dépend beaucoup des transferts fédéraux pour mener ses activités. Cependant, les fonds fédéraux affectés aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'augmentent pas nécessairement cette dépendance de façon significative.

An increase in a province's own-source revenue generally makes it less vulnerable to unanticipated changes in levels of federal transfers. It also

Une augmentation des recettes autonomes d'une province la rend habituellement moins vulnérable aux changements imprévus touchant les niveaux de transferts fédéraux. Elle

enhances its ability to fund provincial programs, invest in infrastructure, and to continue to fully fund programs initiated with federal one-time transfers once federal funding has ceased. It should be noted that the ratio of federal transfers to own-source revenue may vary from year-to-year as a result of increases or decreases in a government's own-source revenue.

Federal transfers decreased in 2013/14 by $111 million due to a $73 million decrease in Equalization transfers and a $75 million decrease in funding from shared-cost agreements. This was offset by a $37 million increase in health and social transfers. Shared-cost agreements are related to programs, such as the infrastructure renewal funding, disaster financial assistance, shared agricultural programs and shared capital refinancing, amongst others.

See pages 49 - 51 for an analysis of own-source revenues.

augmente aussi sa capacité de financer les programmes provinciaux, d'investir dans l'infrastructure et de continuer à financer pleinement les programmes lancés grâce à des transferts fédéraux non récurrents lorsque le financement fédéral prend fin. Il convient de noter que le ratio des transferts fédéraux aux recettes autonomes peut varier d'un exercice à l'autre à la suite de l'augmentation ou de la diminution des recettes autonomes du gouvernement.

En 2013-14, les transferts ont baissé de 111 millions de dollars. Ces transferts comptaient une augmentation de 37 millions de dollars en matière de santé et de programmes sociaux, une baisse de la péréquation de 73 millions de dollars et une baisse de 75 millions de dollars dans le cadre des ententes relatives aux frais partagés. Les ententes relatives aux frais partagés étaient liées à certains programmes, notamment le financement de renouvellement pour l'infrastructure, programmes agricoles partagés et l'aide financière en cas de catastrophe,

Voir les pages 49 - 51 pour une analyse complémentaire des données sur les recettes autonomes.

Federal Transfers to Total Revenue

The ratio of federal transfers to total revenue indicates the vulnerability of provinces to changes in transfer support from the Government of Canada.

As can be seen from Graph 7, the ratio of federal transfers to total provincial revenue has decreased from 2009/10 to 2013/14, demonstrating Manitoba's gradually decreasing vulnerability to changes in federal transfer support.

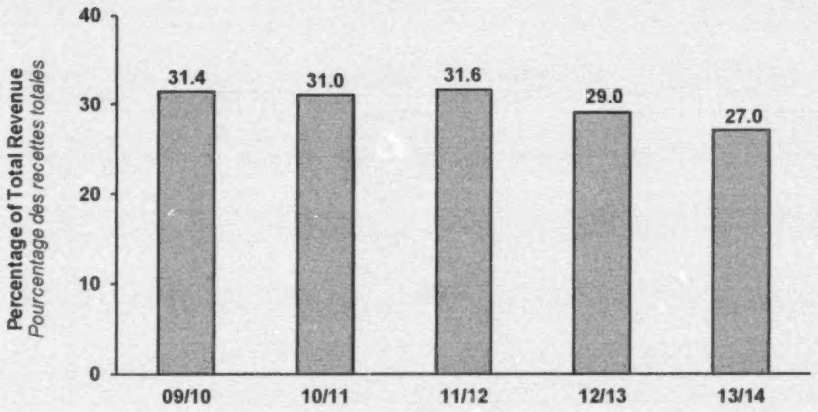
Les transferts fédéraux en pourcentage des recettes totales

Le ratio des transferts fédéraux auxles recettes totales indique la vulnérabilité des provinces aux variations dans les transferts en provenance du gouvernement du Canada.

Comme on peut le voir sur le Diagramme 7, le ratio dese les transferts fédéraux au total des recettes provinciales a diminué de 2009-2010 à 2013-14. Cela montre que la vulnérabilité diminuant progressivement du Manitoba par rapport aux changements relatifs aux transferts fédéraux .

Graph 7/Diagramme 7

Federal Transfers to Total Revenue
Transferts fédéraux en pourcentage des recettes totales



Foreign Currency Debt to Net Debt

The ratio of foreign currency debt to net debt for 2013/14 is zero because the foreign exchange risk is considered to be fully hedged through the use of derivative instruments such as swaps, forward foreign exchange contracts, as well as future U.S. dollar revenue streams and U.S. dollar sinking funds. In 1999, foreign currency exposure was approximately 19% of core government debt. The amount of foreign currency debt outstanding at March 31, 2014 is $8,034 million (2013 - $8,443 million), both of which were fully hedged. Decreasing the ratio of foreign currency debt to net government debt through hedging activities mitigates the risk of debt servicing costs rising due to changes in foreign currency rates and improves the Province's financial position.

La dette en devises en pourcentage de la dette nette

Le ratio de la dette en devises à la dette nette pour 2013-14 est fixé à zéro, car le risque de change est considéré comme entièrement couvert par l'usage d'instruments dérivés, comme les swaps, les contrats de change à terme, ainsi que par les flux de rentrées de dollars US à venir et les fonds d'amortissement en dollars US. En 1999, le risque de change représentait environ 19 % de la dette générale du gouvernement. Le montant de la dette en devises au 31 mars 2014 était de 8 034 millions de dollars, contre 8 443 millions de dollars en 2013, et le risque était complètement couvert les deux exercices. La diminution du ratio de la dette en devises à dette nette du gouvernement grâce aux activités de couverture atténue le risque d'une hausse des frais de service de la dette en raison des variations dans le cours de monnaies et améliore la situation financière de la province.

RISKS AND UNCERTAINTIES

The Government's main exposure to risks and uncertainties arises from variables which it does not directly control. These include:

- Economic factors such as commodity prices, personal income, retail sales, and population growth.
- Adverse events or unusual weather patterns that can influence overall annual results.
- Outcomes from litigation, arbitration and negotiations with third parties.
- Changes in federal transfers.
- Utilization rates for Government services such as health care, children and family services, or employment assistance.
- Exposure to interest rate fluctuations, foreign exchange rates and credit risk.
- Changes in Canadian and International accounting standards.
- Identification and quantification of environmental liabilities.
- Volatility of results, including amounts consolidated from other reporting entities.

LES RISQUES ET LES INCERTITUDES

La principale exposition du gouvernement aux risques et aux incertitudes résulte de variables qui ne dépendent pas directement de lui. Ces variables sont entre autres :

- des facteurs économiques, comme le cours des matières premières, le revenu des particuliers, les ventes au détail et l'accroissement de la population;
- des événements néfastes ou des régimes climatiques inhabituels qui peuvent influer sur les résultats annuels d'ensemble;
- les résultats de procès, d'arbitrages ou de négociations avec des tiers;
- les modifications des transferts fédéraux;
- les taux d'utilisation des services du gouvernement, comme les soins de santé, les services à l'enfant et à la famille et l'aide à l'emploi;
- l'exposition aux fluctuations des taux d'intérêt, aux taux de change et au risque de crédit;
- les modifications des normes comptables au Canada et à l'échelle internationale;
- la détermination et la quantification du passif environnemental;
- la volatilité des résultats, y compris les résultats consolidés d'autres entités comptables.

VARIANCE ANALYSIS AND ASSESSMENT OF SIGNIFICANT TRENDS
ANALYSE DES ÉCARTS ET DES PRINCIPALES TENDANCES

Revenue and Expense Items *Éléments des recettes et des dépenses*	2013/14 Budget *Budget de 2013-2014*	2013/14 Actual *Chiffres réels de 2013-2014*	2012/13 Actual *Chiffres réels de 2012-2013*	Variance/Ecrat 2013/14 vs 2012/13 Actual *Chiffres réels de 2013-2014 et de 2012-2013*	Variance/Ecrat 2013/14 Actual to Budget *Chiffres réels et budget de 2013-14*
		($ millions)/*(en millions de dollars)*			
REVENUE/*RECETTES*					
Income Taxes *Impôts*	3,366	3,446	3,302	144	80
Other Taxes *Autres taxes*	4,015	3,723	3,365	358	(292)
Fees and Other Revenue *Droits et autres recettes*	1,987	2,178	2,013	165	191
Sinking Funds and Other Earnings *Fonds d'amortissement et autres revenus*	227	242	242	-	15
Total Own-Source Revenue/ *Total des recettes autonomes*	9,595	9,589	8,922	667	(6)
Government Business Enterprises *Entreprises publiques*	738	783	739	44	45
Federal Government Transfers *Transferts fédéraux*	3,876	3,842	3,953	(111)	(34)
Total Revenue *Recettes totales*	14,209	14,214	13,614	600	5
EXPENSES/*DEPENSES*					
Health *Santé*	5,642	5,706	5,454	252	64
Education *Éducation*	3,786	3,562	3,339	223	(224)
Family Services *Services à la famille*	1,114	1,074	1,035	39	(40)
Community, Economic and Resource Development *Développement des communautés, de l'économie et des ressources*	2,484	2,415	2,423	(8)	(69)
Justice and Other Expenditures *Justice et autres dépenses*	862	1,158	1,084	74	296
Debt Servicing *Service de la dette*	839	821	839	(18)	(18)
Total Expenses *Dépenses totales*	14,727	14,736	14,174	562	9
Summary Net Income (Loss) *Recettes (pertes) nettes sommaires*	(518)	(522)	(560)	38	(4)

The summary net income is the net financial result of the year's operations. The Government ended the year with a net loss of $522 million, which is $4 million higher than the budgeted net loss of $518 million. In 2013/14, total revenues were $14,214 million and total expenses were $14,736 million.

The most significant factors that impacted changes in summary results from budget were:

- An increase in income tax revenue of $80 million related to higher than anticipated prior year adjustments.
- A decrease of $292 million in other taxes primarily due to the application of accounting standards that require Education Property Tax credits to be netted against the related income, instead of being expensed.
- An increase of $191 million in fees and other revenue due to increases in revenue from government reporting entities and the sale of government assets.
- An increase of $296 in Justice related to the settlement provision for First Nation flooding and emergency expenditures due to flooding and fires that occurred during the year.

In addition, other changes from the Third Quarter Financial Report are as a result of the coldest winter in over 100 years resulting in increased claim costs for Manitoba Public Insurance, as well as additional costs the Province has recognized for the remediation of the Ruttan mine site near Leaf Rapids in order to prevent acidic tailings from causing long term environmental damage.

Additional variance analysis on the changes in revenues and expenses between 2013/14 and 2012/13 is included in later sections of this report.

Les recettes nettes sommaires sont le résultat financier net des activités de l'exercice. À la fin de l'exercice, la Province affichait une perte nette de 522 millions de dollars, soit 4 millions de dollars de plus que la perte nettes de 518 millions de dollars prévues dans le budget. En 2013-14, les recettes totales ont atteint 14 214 millions de dollars, et les dépenses totales se sont élevées à 14 736 millions de dollars.

Les principaux facteurs de l'écart entre les résultats sommaires et les prévisions sont les suivants :

- Une diminution de 80 millions de dollars des recettes tirées de l'impôt sur le revenu est liée à des rajustements plus importants que prévu au cours de l'exercice précédent et à une augmentation des droits.
- Une baisse de 292 million de recettes tirées d'autres taxes sont principalement dues des réductions des impôts fonciers pour l'éducation à la suite de l'application des nouvelles normes comptables qui exigent que les crédits d'impôt foncier pour l'éducation soient déduits des revenus y étant liés au lieu d'être dépensés.
- Une augmentation de 191 millions de dollars en taxes et autres revenus en raison de augmentation des recettes provenant des gouvernement entités déclarantes et la vente des biens du gouvernement.
- Une augmentation de 296 $ justice liée à la fourniture de règlement des Premières nations des inondations et des incendies qui ont eu lieu au cours de l'année.

D'autres modifications du troisième rapport financier trimestriel sont le résultat de l'hiver le plus froid depuis plus de 100 ans en résulte une augmentation des coûts des sinistres pour la Société d'assurance publique du Manitoba, ainsi que les coûts supplémentaires de la province a reconnu la remise en état des le site de la mine Ruttan près de Leaf Rapids afin de prévenir les résidus acides de causer des dommages à l'environne ment à long

D'autres analyses des écarts concernant la variation des recettes et des dépenses entre 2013-14 et de 2012-2013 sont présentées plus loin dans le présent rapport.

Revenue

Revenue trend analysis provides users with information about significant changes in revenue over time and between sources, enabling users to evaluate past performance and assess potential implications for the future.

Recettes

L'analyse de la tendance des recettes renseigne les lecteurs sur les principales variations dans les recettes selon les exercices et les sources, et leur permet d'évaluer la performance passée et les possibles implications dans l'avenir.

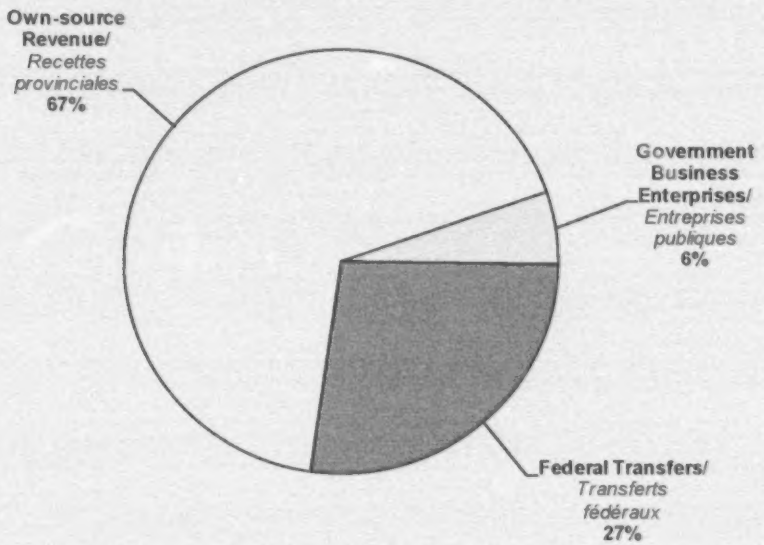
Revenue Trend Analysis by Source
Analyse des Revenues par Source

Revenue Source *Source de recettes*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*	**2009/2010 Actual** *Chiffres réels de 2009-2010*
	($ millions)/*(en millions de dollars)*				
Income Taxes *Impôts*	3,446	3,302	3,138	2,938	2,674
Retail Sales Tax *Taxe sur les ventes au détail*	2,028	1,767	1,658	1,576	1,527
Education Property Tax *Impôts fonciers en matière d'éducation*	434	380	554	545	533
Mining and Other Taxes *Taxe minière et autres taxes*	617	590	577	573	524
Levy for Health and Education *Impôt destiné à l'enseignement et aux services de santé*	315	296	292	269	264
Fuel Taxes *Taxes sur les carburants*	329	332	269	256	255
Fees and Other Revenue *Droits et autres recettes*	2,178	2,013	1,906	1,828	1,792
Sinking Fund and Other Investment Earnings *Fonds d'amortissement et autres revenus de placement*	242	242	249	230	220
Net Income from Government Business Enterprises *Bénéfice nets des entreprises publiques*	783	739	713	807	789
Federal Transfers *Transferts fédéraux*	3,842	3,953	4,332	4,047	3,924
Total Revenue *Recettes totales*	14,214	13,614	13,688	13,069	12,502

The Government's main revenue sources for 2013/14 are identified in the following chart.

Les principales sources de recettes du gouvernement pour 2013-14 figurent dans le diagramme qui suit.

Sources of Revenue for the Year Ended March 31, 2014
Sources de recette pour l'exercise terminé le 31 mars 2014


Own-source Revenue/ Recettes provinciales 67%
Government Business Enterprises/ Entreprises publiques 6%
Federal Transfers/ Transferts fédéraux 27%

Total revenue in 2013/14 was $14,214 million, an increase of 4.4% from 2012/13, mainly as a result of the following:

- Income taxes were $144 million (4.4%) higher as a result of higher prior year adjustments.
- Retail sales taxes were $261 million (14.8%) higher as a result of improvements experienced in the provincial economy and increases to the PST.
- Fees and other revenue increased by $165 million (8.2%) due to sales of government assets and revenue attributed to Crown organizations.
- Federal transfers were $111 million (2.8%) lower, mainly due to decreases in Equalization payments ($73 million) and shared cost

Les recettes totales en 2013-14 ont atteint 14 214 millions de dollars, ce qui représente une augmentation de 4,4% par rapport à 2012-2013. Ce bond est attribuable aux faits suivants :

- Les impôts sur le revenu ont augmenté de 144 millions de dollars (soit de 4,4%) grâce à la suite d'ajustements relatifs aux exercices antérieurs.
- les recettes tirées de la taxe sur les ventes au détail ont augmenté de 261millions de dollars (soit de 14,8%) en raison de l'amélioration de l'économie provinciale et de l'augmentation d du taux d'imposition.
- Les droites et autres recettes ont connu une augmentation de 165 millions de dollars (8,2%) en raison de la vente d'actifs du gouvernement et des recettes attribuées à des organismes de la Couronne.
- Le montant des transferts fédéraux a reculé de 111 millions de dollars (soit de 2,8%) en raison de l'augmentation des paiements de

arrangements ($75 million) as a result of a shrinking share of federal support and changes in federal-provincial fiscal arrangements. Statistics Canada has also recently revised its population estimates, which will have a negative impact on federal transfers in upcoming years.

The revenue to GDP ratio at March 31, 2014 was 23.6%, consistent with the ratio of 23.4% as at March 31, 2013.

Expenses

Analysis of expenses helps users understand the impact of the Government's spending on the economy, the Government's overall allocation and use of resources, and the cost of Government programs.

Expense by Function

Expense by function provides a summary of the major areas of Government spending, and changes in spending over time.

péréquation (73 millions de dollars) et de la baisse des recettes provenant du partage des frais (75 millions de dollars) à la suite d'une part décroissante de l'aide fédérale et les changements dans les arrangements fiscaux fédéraux-provinciaux. Statistique Canada a récemment révisé ses estimations de la population, ce qui aura un impact négatif sur les transferts fédéraux au cours des prochaines années.

Au 31 mars 2014, le ratio des recettes aux PIB était de 23,6%, correspondant de 23,4% à celui établi au 31 mars 2013.

Dépenses

L'analyse des dépenses aide les lecteurs à comprendre l'incidence des dépenses du gouvernement sur l'économie, la répartition de l'ensemble de ses recettes et l'usage des ressources, ainsi que le coût des programmes du gouvernement.

Dépenses par fonction

Les dépenses par fonction présentent le sommaire des principaux secteurs de dépenses du gouvernement et l'évolution des dépenses au fil des ans.

Expense Trend Analysis by Function
Analyse des dépenses par fonction

Expense by Function *Dépenses par fonction*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*	**2009/2010 Actual** *Chiffres réels de 2009-2010*
	($ millions) *(en millions de dollars)*				
Health *Santé*	5,706	5,454	5,328	5,044	4,831
Education *Éducation*	3,562	3,339	3,389	3,218	3,125
Family Services *Services à la famille*	1,074	1,035	1,013	978	1,295
Community, Economic and Resource Development *Développement des communautés, de l'économie et des ressources*	2,415	2,423	2,734	2,367	1,780
Justice and Other Expenditures *Justice et autres dépenses*	1,158	1,084	1,410	870	900
Debt Servicing *Service de la dette*	821	839	815	773	756
Total Expenses by Function *Dépenses totales par fonctien*	14,736	14,174	14,689	13,250	12,687

The sources of expenses have remained consistent with the prior year, with general increases (excluding those expenditures related to flooding and excess moisture in 2011) in line with those experienced in previous years. The health and education sectors make up 62.9% of total expenses (62.0% in 2012/13).

Les sources de dépenses ont suivi la tendance de l'exercice précédent, et les augmentations générales (à part les dépenses liées aux inondations et pluies excessives de 2011) ont été conformes à celles des exercices précédents. Les secteurs de la santé et de l'éducation représentent 62,9% des dépenses totales (contre 62,0% en 2012-2013).

Total expenses in 2013/14 were $14,736 million, an increase of 4.0% from 2012/13, as a result of the following:

Les dépenses totales en 2013-14 s'élevaient à 14 736 millions de dollars, ce qui représente une baisse de 4,0% par rapport à 2012-2013. Cette baisse est attribuable aux éléments suivants :

- Health expenses increased by 4.6%, primarily due to inflationary increases in funding to Regional Health Authorities.

- les dépenses de santé ont augmenté de 4,6%, principalement à cause des augmentations inflationnistes du financement des offices régionaux de la santé.

- Education expenses increased 6.7% from the prior year, reflecting budgeted increased program expenditures and increases to pension costs caused by contribution increases.

- les dépenses en éducation ont augmenté de 6,7% par rapport à l'exercice précédent, reflétant une augmentation des dépenses de programmes prévues dans le Budget et une augmentation des charges découlant des régimes de retraite due aux augmentations de cotisation.

- Family Services expenses remained consistent with prior years, with only a moderate increase of 3.8%.

- Les dépenses de Services sont restées conformes aux années précédentes, avec une augmentation modérée de 3,8%.

- Community, Economic and Resource Development expenses had a modest decrease of 0.3% or $8 million.

- les dépenses pour le développement des communautés, de l'économie et des ressources ont enregistré une baisse modeste de 0,3% ou 8 millions de dollars.

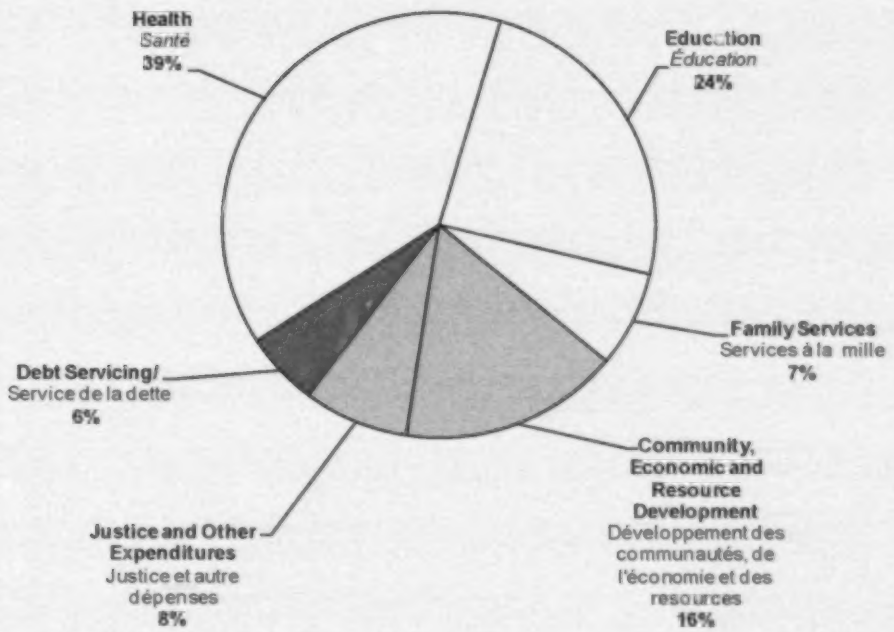
- Justice and Other Expenditures had a moderate increase of $74 million or 6.8%.

- les dépenses du ministère de la Justice et les autres dépenses ont connu une hausse modérée de 74 M ou de 6,8%.

The following chart shows the Government's operating expenses by function:

Le diagramme suivant montre les éléments des dépenses de fonctionnement du gouvernement.

Expenses by Function
Dépenses de fonctionnement



The health, education, and family services components comprise 70.2% of the total operating expenses.

Les secteurs de la santé, de l'éducation et des services à la famille représentent 70,2% des dépenses totales de fonctionnement.

Program expenses, which represent total expenses less the cost of servicing debt, increased 4.3% from 2012/13, primarily as a result of increases in the Health and Education sectors. In 2013/14, total expenses to GDP amounted to 24.4% (2012/13 – 24.4%) while program expenses to GDP amounted to 23.1% (2012/13 – 22.9%) of GDP.

Les dépenses de programmes, soit les dépenses totales moins les frais de service de la dette, ont augmenté de 4,3% par rapport à 2012-2013, principalement dans les fonctions de santé et de éducation En 2013-14, les dépenses totales représentaient 24,4% du PIB (contre 24,4% en 2012-2013), alors que les dépenses de programmes en représentaient 23,1% (contre 22,9% en 2012-2013).

The expense ratio (total expenses as a percentage of total revenues) stood at 103.7% in 2013/14. An expense ratio of more than 100% means that expenses have exceeded revenues, resulting in a deficit.

Le ratio des dépenses (dépenses totales en pourcentage des recettes totales) était de 103,7% en 2013-14. Un ratio supérieur à 100% signifie que les dépenses sont supérieures aux recettes, et qu'on obtient un déficit.

The total program expenses were basically equal to the 2013/14 budget.

Le total des dépenses consacrées aux programmes est à peu près le même que celui figurant dans le Budget 2013-14.

Expense by Type

Dépenses par catégorie

Expense by type provides a summary of the major types of Government spending, and changes in spending over time.

Les dépenses par catégorie présentent le sommaire des catégories principales de dépenses du gouvernement et de l'évolution des dépenses au fil des ans.

Expense Trend Analysis by Type
Analyse des Dépenses par Type

Expense by Type *Dépenses par catégorie*	**2013/14 Actual** *Chiffres réels de 2013-2014*	**2012/13 Actual** *Chiffres réels de 2012-2013*	**2011/12 Actual** *Chiffres réels de 2011-2012*	**2010/11 Actual** *Chiffres réels de 2010-2011*	**[illegible]09/10 Actual** *Chiffres réels de 2009-2010*
	($ millions)/(en millions de dollars)				
Personnel Services *Services de personnel*	7,194	6,894	6,557	6,332	6,074
Grants/Transfer Payments *Subventions et paiements de transfert*	1,682	1,592	2,060	1,384	1,242
Transportation *Transport*	168	161	161	183	185
Communications *Communications*	72	72	77	70	77
Supplies and Services *Fournitures et services*	1,755	1,807	2,000	1,836	1,863
Social Assistance *Aide sociale*	1,250	1,309	1,409	1,038	967
Other Operating *Autres dépenses de fonctionnement*	1,152	912	1,044	1,121	1,029
Debt Servicing *Service de la dette*	821	839	815	773	756
Minor Capital *Dépenses en capital secondaires*	88	77	90	75	90
Amortization *Amortissement des immobilisations*	554	511	476	438	404
Total Expenses by Type *Dépenses totales*	14,736	14,174	14,689	13,250	12,687

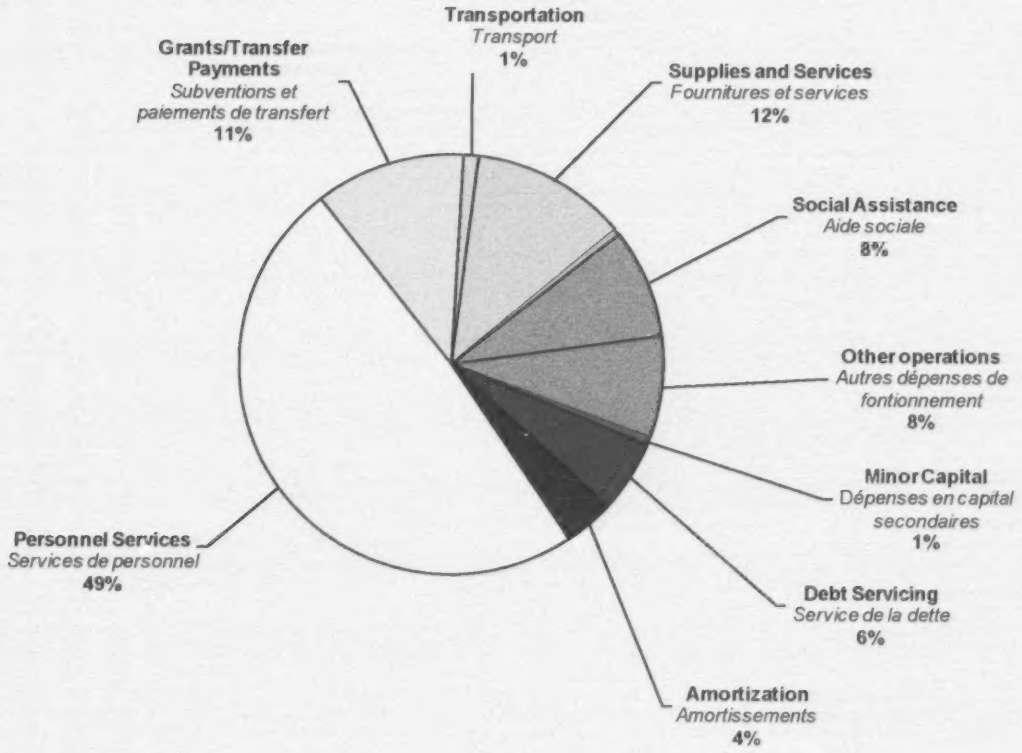
The Government's 2013/14 major expenses were personnel services at 48.8% (2012/13 – 48.6%), supplies and services at 11.9% (2012/13 – 12.7%) and grants/transfer payments at 11.4% (2012/13 – 11.2%).

En 2013-14, les services de personnel ont représenté les principales dépenses du gouvernement, soit 48,8% des dépenses (contre 48,6% en 2012-2013), les fournitures et services ont représenté 11,9% (contre 12,7% en 2012-2013) et les subventions et paiements de transfert équivalaient à 11,4% des dépenses (contre 11,2% en 2012-2013).

The following chart shows the Government's operating expenses by type:

Le diagramme suivant montre les catégories de dépense en pourcentage:

Expense by Type
Despenses by Categorie



Financial Assets

Analysis of financial assets provides users with information regarding the amount of resources available to the Government that can be converted to cash, if required, to discharge existing liabilities or to finance future operations.

Actifs financiers

L'analyse des actifs financiers renseigne les lecteurs sur le montant de ressources du gouvernement pouvant être converti en liquidités au besoin pour s'acquitter de ses présentes obligations ou financer des activités futures.

Financial Assets Trend Analysis
Analyse des Actifs Financiers

Financial Assets *Actifs financiers*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*	**2009/2010 Actual** *Chiffres réels de 2009-2010*
	($ millions)*(en millions de dollars)*				
Cash, Cash Equivalents, Short-Term Investments *Trésorerie, équivalents de trésorarie, placements à court terme*	1,600	1,293	1,374	1,047	1,461
Temporary Investments *Placements temporaires*	202	229	205	345	551
Accounts Receivable and Advances *Créances et avances*	1,548	1,661	1,647	1,313	1,231
Inventories *Stocks*	75	74	65	62	46
Portfolio Investments Placements de portefeuille	2,293	2,466	2,760	2,765	2,539
Loan and Advances *Prêts et avances*	1,145	1,096	955	802	786
Equity in government business enterprises Valeur des entreprises publiques	3,820	3,766	3,617	3,570	3,199
Total Financial Assets *Total des actifs financiers*	10,683	10,585	10,623	9,904	9,813

Financial assets are consistent with 2012/13. Overall portfolio investments decreased by $173 million, or 7.0%, from 2012/13. These declines were offset by increases in cash (23.7%), loans and advances (4.5 %) and increases in GBE equity. Our equity in GBEs represents 35.8% of the 2013/14 financial assets; an increase of $54 million, or 1.4%, from 2012/13. This increase results from stable earnings achieved in the GBEs offset by a decrease in equity caused by their other comprehensive losses. Portfolio investments earned $99 million (2012/13 - $102 million).

Les actifs financiers n'ont pas changé par rapport à 2012-2013. Les placements de portefeuille globaux ont baissé de 173 millions de dollars depuis 2012-2013, soit de 7,0%. Ces baisses ont été compensées par des augmentations de la trésorerie (23,7%), des prêts et des avances (4,5%), et des valeurs des entreprises publiques. La valeur des entreprises publiques représentait 35,8% des actifs financiers en 2013-14, en hausse de 54 millions de dollars (1,4%) par rapport à 2012-2013. Cette hausse résulte de la stabilité des revenus des entreprises publiques, contrebalancée par une baisse de leur valeur due à des pertes dans leurs autres éléments du résultat étendu. Les placements de portefeuille ont rapporté 99 millions de dollars (contre 102 millions de dollars en 2012-2013).

Liabilities

An analysis of liabilities provides users with information to understand and assess the demands on financial assets. Liabilities consist of debt or obligations owing, to be repaid with cash or other assets.

Passifs

Une analyse des passifs permet aux lecteurs de comprendre et d'évaluer les pressions qui s'exercent sur les actifs financiers. Les passifs sont les dettes et les obligations à assumer au moyen de liquidités ou d'autres actifs.

Liabilities Trend Analysis
Analyse des Passifs

Liabilities *Passifs*	2013/2014 Actual *Chiffres réels de 2013-2014*	2012/2013 Actual *Chiffres réels de 2012-2013*	2011/2012 Actual *Chiffres réels de 2011-2012*	2010/2011 Actual *Chiffres réels de 2010-2011*	2009/2010 Actual *Chiffres réels de 2009-2010*
	($ millions)/*(en millions de dollars)*				
Borrowings *Emprunts*	21,946	20,788	19,603	17,150	16,142
Accounts Payable and Accrued Liabilities *Créditeurs et charges à payer*	3,612	3,415	3,527	3,204	3,160
Deferred Revenues *Recettes différées*	413	427	390	360	365
Pension Liability *Obligation découlant des régimes de retraite*	2,038	1,828	1,634	1,731	1,768
Other Liabilities *Autres obligations*	18	20	19	21	21
Total Liabilities *Total des passifs*	28,027	26,478	25,173	22,466	21,456

The 2013/14 total liabilities increased $1,549 million or 5.9% from 2012/13. Borrowings have increased $1,158 million or 5.6% from 2012/13. The pension liability balance increased by $210 million or 11.5 % from 2012/13. Accounts payable and accrued liabilities remained relatively unchanged from 2012/13, and restricted inflows, recorded as deferred revenue, decreased by $14 million from 2012/13.

Le total des passifs de 2013-14 s'est accru de 1,549 millions de dollars par rapport à 2012-2013, ce qui représente une croissance de 5,9%. Les emprunts ont augmenté de 1,158 millions de dollars, soit 5,6% par rapport à 2012-2013. Le solde de l'obligation découlant des régimes de retraite a augmenté de 210 millions de dollars, soit 11,5%, par rapport à 2012-2013. Les rentrées soumises à restrictions, inscrites comme des recettes reportées, ont diminué de 14 millions de dollars de 2012-2013.

Debt servicing costs were $821 million (2012/13 - $839 million) as at March 31, 2014, a decrease of 2.1%. The gross amount of debt servicing costs increases to a level of $1,301 million, (2012/13 - $1,335 million) when GBEs' adjustments are included.

Les frais de service de la dette ont atteint 821millions de dollars au 31 mars 2014, contre 839 millions de dollars en 2012-2013, ce qui représente une hausse de 2,1%. Le montant brut des frais de service de la dette est monté à 1 301 millions de dollars (contre 1 335 millions de dollars en 2012-2013), après les ajustements relatifs aux entreprises publiques.

Pension Liability

Direct action has been taken to address the unfunded pension liability. This included funding 75% of the employer's liability relating to the Teacher's Retirement Allowances Fund in 2007, and funding $1,100 million towards the employer's liability relating to the Civil Service Superannuation Fund by the end of March 2012, through borrowings. Like any long-term strategy, there will be ups and downs in returns on investment. Borrowing funds to pay down the previously unfunded pension liability is a sound fiscal

Obligation découlant des régimes de retraite

Des mesures énergiques ont été prises pour régler la question de l'obligation non capitalisée découlant des régimes de retraite. Ainsi, après avoir provisionné 75% de l'obligation provinciale relative à la Caisse de retraite des enseignants en 2007, le gouvernement affecte 1 100 millions de dollars à l'obligation relative à la Caisse de retraite de la fonction publique à la fin de mars 2012, en recourant à des emprunts. Comme pour toutes les stratégies à long terme, il y aura des hauts et des bas dans les rendements du capital investi. L'emprunt de

decision, as over the longer term, the cost of borrowing is less than the actuarially determined expected rate of return on the plan assets and the rate of growth in the pension liability. Over the last five years, the markets have substanitally recovered to offset any losses that were experienced on the plan assets during the economic downturn.

sommes pour rembourser l'obligation non capitalisée découlant des régimes de retraite est une décision financière judicieuse car, à long terme, le coût d'emprunt est inférieur aux prévisions actuarielles des taux de rendement de l'actif des régimes et du taux de croissance de l'obligation découlant des régimes de retraite. Au cours des cinq dernières années, les marchés ont connu une reprise importante ce qui a permis de compenser les pertes enregistrées sur l'actif du régime durant le ralentissement économique.

The Government uses a diversified, conservative investment approach to mitigate the risk of volatile market conditions on its investments and operating results. It recognizes changes in market value over the service life of employees, consistent with Canadian generally accepted accounting principles. This method of accounting for market changes allows the Government to smooth gains and losses over several years.

Le gouvernement a adopté une approche conservative dans le choix de ses placements, qu'il a aussi voulu diversifiés, afin de limiter les risques liés à la volatilité des marchés, et cela, tant pour protéger ses placements que ses résultats d'exploitation. Il reconnaît les changements de valeur marchande au cours des années de service des employés, conformément aux principes comptables généralement reconnus au Canada. Cette méthode tenant compte des changements du marché permet au gouvernement de lisser les gains et les pertes sur plusieurs années.

Further information on the status of pension plan assets is provided in the notes to the 2013/14 Public Accounts.

Vous trouverez plus de renseignements sur l'état de l'actif des régimes de retraite dans les notes accompagnant les Comptes publics de 2013-14.

Net Debt and Accumulated Deficit

Dette nette et déficit accumulé

Net debt is the difference between the Province's liabilities and financial assets. It represents the amount of liabilities to be funded from future revenues and taxation. Operating losses, investments in tangible capital assets or other non-financial assets all increase net debt. Net debt is decreased by operating net income or decreases in the value of net tangible capital assets and other non-financial assets. As at March 31, 2014, net debt was $17,344 million, $1,451 million or 9.1% higher than the prior year.

La dette nette est la différence entre les passifs de la Province et ses actifs financiers. Elle représente la somme des passifs à financer à même les recettes et les impôts à venir. Les pertes résultant des activités ainsi que les investissements dans les immobilisations corporelles et les autres actifs non financiers augmentent tous à la dette nette. La dette nette diminue en fonction des revenus nets provenant des activités ou des baisses de la valeur des immobilisations corporelles nettes et d'autres actifs non financiers. Au 31 mars 2014, la dette nette s'élevait à 17 344 millions de dollars, soit 1 451 millions de dollars ou 9,1% plus élevée qu'à la fin de l'exercice antérieur.

The accumulated deficit has increased by $2,389 million, or 56.4%, from five years ago, as a result of losses in 2011/12 and 2012/13. In 2013/14, the accumulated deficit increased by $689 million, or 11.6%, from 2012/13.

Le déficit accumulé a augmenté de 2 389 millions de dollars (soit de 56,4%) en cinq ans, en raison des pertes encourues en 2011-2012 et en 2012-13. En 2013-14, le déficit accumulé a augmenté de 689 millions de dollars (11,6%) par rapport à l'exercice précédent.

Net Debt and Accumulated Deficit Trend Analysis
Analyses de dette nette et déficit accumulé

Net Debt and Accumulated Deficit *Dette nette et déficit accumulés*	2013/2014 Actual *Chiffres réels de 2013-2014*	2012/2013 Actual *Chiffres réels de 2012-2013*	2011/2012 Actual *Chiffres réels de 2011-2012*	2010/2011 Actual *Chiffres réels de 2010-2011*	2009/2010 Actual *Chiffres réels de 2009-2010*
	($ millions)/*(en millions de dollars)*				
Financial Assets *Actifs financiers*	10,683	10,585	10,623	9,904	9,813
Less: Liabilities *Moins : les passifs*	(28,027)	(26,478)	(25,173)	(22,466)	(21,456)
Total Net Debt *Dette nette*	(17,344)	(15,893)	(14,550)	(12,562)	(11,643)
Non-Financial Assets *Actifs non financiers*	10,719	9,957	9,206	8,288	7,407
Total Accumulated Deficit *Total du déficit accumulé*	(6,625)	(5,936)	(5,344)	(4,274)	(4,236)

Non-financial Assets

An analysis of non–financial assets provides users with information to assess changes in the Government's infrastructure and long-term non-financial assets.

Actifs non financiers

Une analyse des actifs non financiers permet aux lecteurs d'apprécier l'évolution des infrastructures et des actifs non financiers à long terme du gouvernement.

Non- Financial Assets Trend Analysis
Analyses des actifs non financiers

Non-financial Assets *Total des actifs non financiers*	2013/2014 Actual *Chiffres réels de 2013-2014*	2012/2013 Actual *Chiffres réels de 2012-2013*	2011/2012 Actual *Chiffres réels de 2011-2012*	2010/2011 Actual *Chiffres réels de 2010-2011*	2009/2010 Actual *Chiffres réels de 2009-2010*
	($ millions)/*(en millions de dollars)*				
Tangible capital assets *Immobilisations corporelles*	10,599	9,842	9,097	8,187	7,279
Prepaid expenses *Charges payées d'avance*	58	60	50	51	46
Inventories *Stocks*	62	55	59	50	82
Total Non-financial Assets *Total des actifs non financiers*	10,719	9,957	9,206	8,288	7,407

Non–financial assets typically represent resources that a government can use in the future to provide services, such as tangible capital assets. The management of non-financial assets has a direct impact on the level and quality of services a government is able to provide to its citizens.

Les actifs non financiers, comme les immobilisations corporelles, sont généralement des ressources que le gouvernement peut utiliser dans l'avenir pour fournir des services. La gestion des actifs non financiers a des répercussions directes sur le niveau et la qualité de services qu'un gouvernement est en mesure de fournir à

At March 31, 2014, non-financial assets were $762 million higher, or 7.7%, than 2012/13. The majority of the Government's non-financial assets represent expenditures for tangible capital assets. New acquisitions of tangible capital assets totalled $1,333 million for 2013/14 ($1,273 million for 2012/13). These capital acquisitions include investments in the post–secondary education facilities, health facilities and transportation sectors.

sa population.

Au 31 mars 2014, les actifs non financiers présentaient une hausse de 762 millions de dollars, soit 7,7%, par rapport à ceux de 2012-2013. La plus grande partie des actifs non financiers du gouvernement provient de dépenses en immobilisations corporelles. Les nouvelles acquisitions d'immobilisations corporelles totalisaient 1 333 millions de dollars en 2013-14 (1 273 millions de dollars en 2012-2013). Ces acquisitions d'immobilisations comprennent des investissements dans les secteurs de l'enseignement postsecondaire, dans les établissements de santé et dans les transports.

Tangible Capital Assets

An analysis of tangible capital assets helps users understand whether the Government has the ability to provide services in future periods.

Immobilisations corporelles

Une analyse des immobilisations corporelles aide les lecteurs à connaître la capacité du gouvernement de fournir des services au cours de périodes à venir.

Tangible Capital Assets Trend Analysis
Analyses des Immobilisations Corporelles

Tangible Capital Assets *Immobilisations corporelles*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/13 Actual** *Chiffres réels de 2012-2013*	**2011/12 Actual** *Chiffres réels de 2011-2012*	**2010/11 Actual** *Chiffres réels de 2010-2011*	**2009/2010 Actual** *Chiffres réels de 2009-2010*
	($ millions)/*(en millions de dollars)*				
Land *Terrains*	251	233	214	205	179
Building and Leasehold Improvements *Immeubles et améliorations locatives*	4,488	4,072	3,802	3,273	3,130
Vehicles and Equipment *Véhicules et équipement*	807	788	754	673	639
Computer Hardware and Software *Matériel informatique et logiciels*	308	306	286	243	235
Assets Under Construction *Actifs en construction*	994	975	843	945	614
Infrastructure *Infrastructure*	3,751	3,468	3,198	2,848	2,482
Total Tangible Capital Assets *Total des immobilisations corporelles*	10,599	9,842	9,097	8,187	7,279

Commencing in 2006/07, the Government's policy is to capitalize the gross cost of its tangible capital assets. Recoveries related to capital projects, from other governments, are recognized as revenue in the year a tangible capital asset is purchased or constructed. In

Depuis 2006-2007, la politique du gouvernement consiste à comptabiliser à l'actif le coût brut de ses immobilisations corporelles. Les sommes récupérées liées aux projets d'immobilisation sont inscrites comme des recettes au cours de l'exercice où les immobilisations corporelles sont

accordance with the recommendations of PSAB, the value of Crown land transferred to the Province is not reported as tangible capital assets.

achetées ou construits. Conformément aux recommandations du Conseil sur la comptabilité dans le secteur public, la valeur des terres de la Couronne transférées à la Province n'est pas comprise dans les immobilisations corporelles.

The net book value (cost less accumulated amortization) of tangible capital assets is a major asset of the Province, totaling $10,599 million at the end of 2013/14 (2012/13 - $9,842 million). The buildings and leasehold improvements asset class includes a large portion of tangible capital assets pertaining to provincially-owned schools, health facilities, and public service buildings. Infrastructure assets include roads, water control structures and parks.

La valeur comptable nette (coût moins les amortissements cumulés) des immobilisations corporelles constitue un des principaux actifs de la Province et représentait 10 599 millions de dollars à la fin de 2013-14 (9 842 millions de dollars en 2012-2013). La catégorie Immeubles et améliorations locatives est formée en grande partie par les immobilisations corporelles des écoles, des établissements de santé et des immeubles de services publics qui appartiennent à la province. La catégorie Infrastructure comprend les routes, les ouvrages de régularisation des eaux et les parcs.

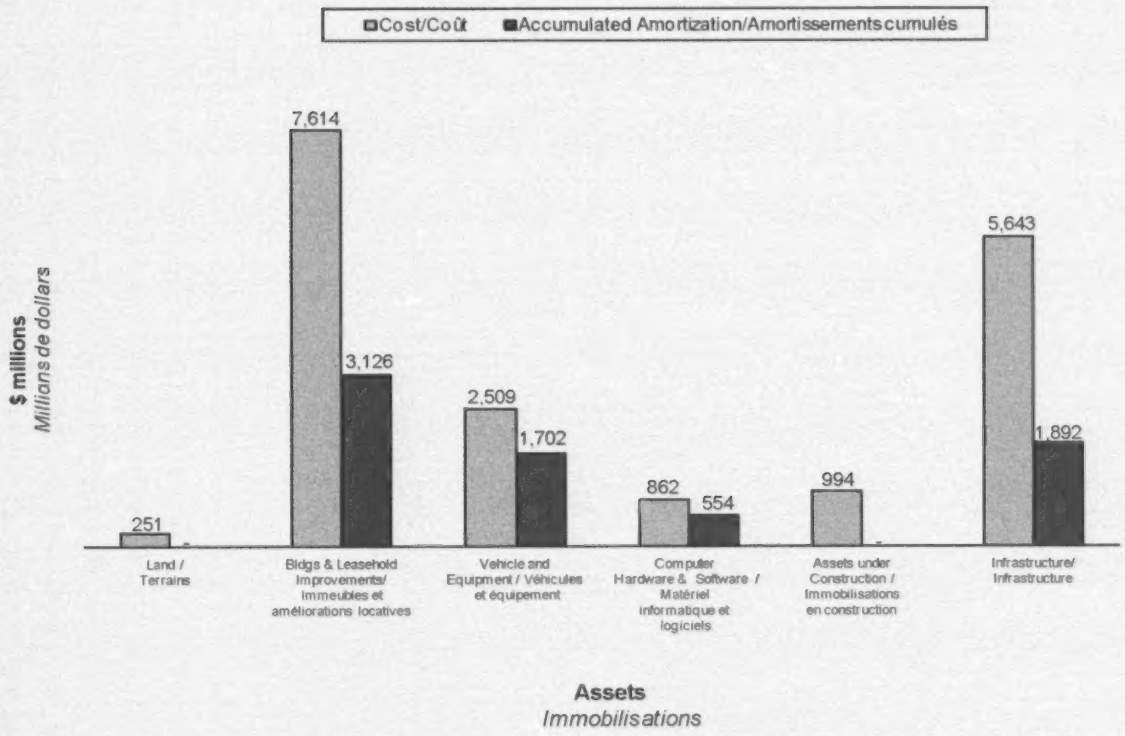
The net annual investment increased by $757 million in 2013/14 (2012/13 - $745 million increase). In 2013/14, the Government invested $582 million in buildings and leasehold improvements, $177 million for vehicles and equipment, and $430 million for infrastructure projects. Infrastructure projects include $305 million in transportation-related projects, such as road grading and surfacing.

L'investissement annuel net s'est accru de 757 millions de dollars en 2013-14 (contre 745 millions de dollars en 2012-2013). En 2013-14, le gouvernement du Manitoba a investi 582 millions de dollars dans la construction de bâtiments et dans des améliorations locatives, 177 millions dans l'achat de véhicules et d'équipement, et 430 millions dans des projets d'infrastructure. Les projets d'infrastructure comprennent 305 millions de dollars pour des travaux dans le secteur des transports, comme le nivellement et le surfaçage des routes.

The total cost of tangible capital assets has also increased steadily, from $12,917 million in 2009/10 to $17,873 million in 2013/14, demonstrating the value of tangible capital assets that are available to provide services in future periods. The following chart of tangible capital assets shows these assets by class and their related accumulated amortization as at March 31, 2014.

Les immobilisations corporelles s'accroissent également de façon constante. Elles sont passées de 12 917 millions en 2009-2010 à 17 873 millions en 2013-14, ce qui témoigne de la valeur des immobilisations corporelles utiles à la prestation de services aux cours de périodes à venir. Le diagramme suivant présente les immobilisations corporelles par catégorie et leurs amortissements cumulés respectifs au 31 mars 2014.

Tangible Capital Assets as at March 31, 2014
Immobilisations corporelles au 31 mars 2014



GLOSSARY OF KEY TERMS /GLOSSAIRE DE TERMES-CLÉS

Borrowings: Borrowings are securities issued in the name of the Province to capital markets investors. Securities include debentures, treasury bills, promissory notes, medium-term notes and Manitoba Savings Bonds.

Emprunts : valeurs ou titres émis au nom de la Province et vendus aux investisseurs des marchés financiers. On compte parmi ces titres des débentures, des bons du Trésor, des billets à ordre, des obligations à moyen terme et des obligations d'épargnes du Manitoba.

Consolidation Impacts: The adjustments needed to bring the revenue and expenditure of the Other Reporting Entities into the Summary Budget, and to eliminate transactions between entities to avoid duplication of revenues and expenses (e.g. a government grant is counted as an expenditure of Core Government and is eliminated from the revenue of the Other Reporting Entity).

Incidences de la consolidation : ajustements nécessaires pour inclure les recettes et les dépenses des autres entités comptables dans le Budget sommaire, et pour éliminer les transactions entre entités dans le but d'éviter la comptabilisation double des recettes et des dépenses (par exemple, une subvention publique figure comme dépense dans les opérations fondamentales du gouvernement et est éliminée dans les recettes d'autres entités comptables).

Core Government: A component of the GRE. Represents the operations of government, including the revenues directly under government's control, and the programs and services delivered by government departments.

Opérations fondamentales du gouvernement : composante du périmètre comptable du gouvernement. Il s'agit des opérations du gouvernement, y compris les recettes qui sont directement sous le contrôle du gouvernement, ainsi que les programmes et les services fournis par ses ministères.

Crown Organization: An organization in the GRE that is wholly owned or established by government, such as a Crown corporation (e.g. Manitoba Agricultural Services Corporation).

Organisation de la Couronne : organisation du périmètre comptable qui a été établie par le gouvernement ou dont il a la propriété exclusive, par exemple une société d'État comme la Société des services agricoles du Manitoba.

Debt Servicing Cost: Interest and other expenses associated with provincial borrowings.

Frais de service de la dette : intérêts et autres dépenses liés aux emprunts provinciaux.

Financial Assets: Assets of the Province such as cash, investments, loans and accounts receivable that could be readily converted to cash in order to pay the Province's liabilities or finance its future operations.

Actifs financiers : actifs de la Province (exemples : encaisse, investissements, prêts et débiteurs) qui pourraient facilement être convertis en liquidités afin de faire face aux obligations de la Province ou pour financer ses activités futures.

Generally Accepted Accounting Principles (GAAP): Standard accounting practices and reporting guidelines as prescribed by The Canadian Institute of Chartered Accountants.

Principes comptables généralement reconnus (PCGR) : pratiques comptables normalisées et lignes directrices pour la présentation de l'information financière, prescrites par l'Institut Canadien des Comptables Agréés.

Government Business Enterprises (GBEs): A Crown organization delegated with the financial and operating authority to carry on a business. It sells goods or services to individuals and organizations outside the GRE and can maintain its business on those revenues.

Entreprise publique : organisation de la Couronne qui est investie des pouvoirs financiers et administratifs nécessaires pour mener des activités commerciales. Elle vend des biens ou offre des services à des particuliers ou à des organismes non compris dans le périmètre comptable du gouvernement et elle peut poursuivre ses activités au moyen de ses recettes.

Government Reporting Entity (GRE): Includes Core Government and Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges.

Périmètre comptable du gouvernement : inclut les opérations fondamentales du gouvernement, les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges.

Gross Domestic Product (GDP): Represents the total market value of all final goods and services produced in the Manitoba economy.

Produit intérieur brut (PIB) : valeur marchande totale de tous les biens et services finals produits par l'économie manitobaine.

Guarantees: The Province, in the normal course of business, may provide a guarantee to honour the repayment of debt or loans of an organization, primarily GBEs. Such a guarantee is provided on the Manitoba Hydro Savings Bonds.

Garanties : la Province, dans le cours normal de ses activités, peut garantir le remboursement des dettes ou des emprunts engagés par des organismes, c'est-à-dire principalement des entreprises publiques. De telles garanties sont fournies pour les obligations d'épargnes Hydro Bonds du Manitoba.

Net Debt to GDP Ratio: The ratio of government net debt relative to the total market value of all final goods and services produced in the Manitoba economy. Net debt represents the total liabilities of the government less its financial assets. It is widely used by credit rating agencies and other analysts to evaluate the financial situation and trends of jurisdictions in regards to their relative creditworthiness.

Rapport dette nette–produit intérieur brut (PIB) : dette nette de la Province par rapport à la valeur marchande totale de tous les biens et services finals produits par l'économie manitobaine. La dette nette est le total du passif de l'État moins ses actifs financiers. Les agences de notation et autres analystes s'en servent couramment pour apprécier la conjoncture financière d'un État et l'évolution de sa capacité à faire face à ses engagements financiers.

Non-Financial Assets: Includes physical items such as tangible capital assets (e.g. buildings and roads) and consumable goods such as inventories that are not normally converted to cash.

Actifs non financiers : actifs ayant une existence matérielle, notamment les immobilisations corporelles (par exemple les immeubles et les routes) et les biens consommables tels que les stocks qui ne sont pas normalement convertis en liquidités.

Other Comprehensive Income (OCI): Other comprehensive income is an accounting recognition of unrealized gains and losses in fair market value of financial instruments, such as investments held as available for sale or trading or debt held in a foreign currency. Currently, OCI accounting standards apply only to other reporting entities, except not-for-profit organizations. It is measured as the change in "mark-to-

Autres éléments du résultat étendu : prise en compte des gains et des pertes non réalisés calculés selon la juste valeur marchande de l'instrument financier, par exemple, un actif financier susceptible de vente ou une dette en devise étrangère. À l'heure actuelle, les normes comptables concernant les autres éléments du résultat étendu s'appliquent uniquement aux autres entités comptables, à l'exception des organismes à but non

market" valuations, interest rates, or foreign exchange rates at year end, and therefore is a one-day snapshot of the change in value when compared to the same day in the previous year.

lucratif. Les autres éléments du résultat étendu sont mesurés d'après la variation des évaluations à la valeur du marché, des taux d'intérêt et des taux de change en fin d'exercice et constituent, par conséquent, un aperçu ponctuel de la variation d'une valeur donnée par comparaison avec la valeur à la même date l'année antérieure.

Other Reporting Entities: Entities in the GRE such as Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges that are directly or indirectly controlled by the Government, as prescribed by PSAB – excludes Core Government.

Autres entités comptables : entités du périmètre comptable du gouvernement comme les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges qui sont directement ou indirectement sous le contrôle du gouvernement, comme le prescrit le Conseil sur la comptabilité dans le secteur public. Exclut les opérations fondamentales du gouvernement.

Pension Liability: Outstanding actuarial-calculated pension liability of the government and participating Crown organizations. The expense includes amounts funded through the appropriations of Core Government as well as for the actuarially determined increases in the pension liability.

Obligation découlant des régimes de retraite : valeur actuarielle de l'obligation non réglée découlant des régimes de retraite du gouvernement et des organisations de la Couronne participantes. La dépense comprend les fonds provenant des crédits relatifs aux opérations fondamentales du gouvernement et l'augmentation, déterminée à l'aide de calculs actuariels, de l'obligation découlant des régimes de retraite. Le gouvernement du Manitoba soutient huit régimes de retraite distincts.

Summary Net Debt: Represents the total liabilities of the GRE less its financial assets. This is the residual amount that will have to be paid or financed by future revenue.

Dette nette sommaire : total des passifs du périmètre comptable du gouvernement moins ses actifs financiers. Il s'agit du solde des passifs qu'il faudra payer ou financer à l'aide de recettes futures.

Tangible Capital Assets: Assets with a useful life extending beyond one year which are acquired, constructed or developed and held for use, not for resale.

Immobilisations corporelles : immobilisations dont la durée de vie utile s'étend au-delà de l'exercice et qui sont acquises, construites ou développées, et qui sont destinées à être utilisées plutôt que vendues.

SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED

March 31, 2014

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STATEMENT OF RESPONSIBILITY

The summary financial statements are prepared under the direction of the Minister of Finance in accordance with the stated accounting policies of the Government reporting entity and include summary statements of financial position, revenue and expense, accumulated deficit, change in net debt, cash flow, notes and schedules integral to the statements. Together, they present fairly, in all material respects, the financial position of the Government as at March 31, 2014, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The Government is responsible for the integrity and objectivity of the summary financial statements. In the preparation of these statements, estimates are sometimes necessary because a precise determination of certain assets, liabilities, revenues and expenses is dependent on future events. The Government believes such estimates have been based on careful judgements and have been properly reflected in the summary financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Provincial Comptroller, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with *The Financial Administration Act*.

The Auditor General expresses an independent opinion on these financial statements. His report, stating the scope of his audit and opinion, appears on the following page.

These financial statements are tabled in the Legislature. They are referred to the Standing Committee on Public Accounts, which reports to the Legislature on the results of its examination together with any recommendations it may have with respect to the financial statements and accompanying audit opinion.

On behalf of the Government of the Province of Manitoba.

Original signed by Betty-Anne Pratt

Betty-Anne Pratt, CA
Provincial Comptroller

September 25, 2014

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

We have audited the accompanying consolidated financial statements of the Province of Manitoba, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of revenue and expense, accumulated deficit, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Province of Manitoba as at March 31, 2014, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Original signed by Norm Ricard

September 25, 2014
Winnipeg, Manitoba

Norm Ricard, CA
Auditor General (acting)

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2014

($ millions)

SCHEDULE		2014	2013
	FINANCIAL ASSETS		
	Cash and cash equivalents	1,600	1,293
	Temporary investments (Note 2)	202	229
1	Amounts receivable	1,548	1,661
	Inventories for resale	75	74
	Portfolio investments (Note 3)	2,293	2,466
2	Loans and advances	1,145	1,096
3	Equity in government business enterprises (Note 4)	3,820	3,766
	Total Financial Assets	10,683	10,585
	LIABILITIES		
4	Borrowings	21,946	20,788
5	Accounts payable, accrued charges, provisions and unearned revenue	4,043	3,862
6	Pension liability (Note 5)	2,038	1,828
	Total Liabilities	28,027	26,478
	NET DEBT	(17,344)	(15,893)
	NON-FINANCIAL ASSETS		
	Inventories held for use	62	55
	Prepaid expenses	58	60
7	Tangible capital assets	10,599	9,842
	Total Non-Financial Assets	10,719	9,957
	ACCUMULATED DEFICIT	(6,625)	(5,936)

Contingencies (Note 6)
Contractual Obligations (Note 7)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
For the Year Ended March 31, 2014

($ millions)

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Income taxes:			
Corporation income tax	413	468	456
Individual income tax	2,953	2,978	2,846
Other taxes:			
Retail sales tax	2,047	2,028	1,767
Fuel taxes	326	329	332
Levy for health and education	326	315	296
Mining tax	40	8	38
Education property tax	676	434	380
Other taxes	600	609	552
Fees and other revenue	1,987	2,178	2,013
Federal transfers:			
Equalization	1,799	1,799	1,872
Canada Health and Canada Social Transfers	1,564	1,524	1,487
Shared cost and other	513	519	594
Net income from government business enterprises (Schedule 3)	738	783	739
Sinking funds and other investment earnings	227	242	242
Total Revenue (Schedule 9)	14,209	14,214	13,614
EXPENSES			
Health	5,642	5,706	5,454
Education	3,786	3,562	3,339
Family Services	1,114	1,074	1,035
Community, Economic and Resource Development	2,484	2,415	2,423
Justice and Other Expenditures	862	1,158	1,084
Debt Servicing (Note 8)	839	821	839
Total Expenses (Schedule 9)	14,727	14,736	14,174
NET LOSS FOR THE YEAR	(518)	(522)	(560)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCUMULATED DEFICIT
For the Year Ended March 31, 2014

($ millions)

	2014 Actual	2013 Actual
Opening accumulated deficit	(5,936)	(5,344)
Other Comprehensive Income (Schedule 3)	(167)	(32)
Net Loss for the year	(522)	(560)
Closing accumulated deficit,	(6,625)	(5,936)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31, 2014

($ millions)

	2014 Budget	2014 Actual	2013 Actual
Net Loss for the year	(518)	(522)	(560)
Tangible Capital Assets (Schedule 7)			
Acquisition of tangible capital assets	(1,665)	(1,333)	(1,273)
Amortization of tangible capital assets	548	554	511
Disposal of tangible capital assets		22	17
Net Acquisition of Tangible Capital Assets	(1,117)	(757)	(745)
Other Non-Financial Assets			
Decrease (Increase) in inventories	-	(7)	4
Decrease (Increase) in prepaid expenses	-	2	(10)
Net Acquisition of Other Non-Financial Assets	-	(5)	(6)
Other Comprehensive Income (Schedule 3)	-	(167)	(32)
(Increase) in Net Debt	(1,635)	(1,451)	(1,343)
Net Debt, beginning of year	(16,119)	(15,893)	(14,550)
Net Debt, end of year	(17,754)	(17,344)	(15,893)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended March 31, 2014

	($ millions) 2014	2013
Cash and cash equivalents provided by (used in)		
Operating Activities		
Net loss for the year	(522)	(560)
Changes in non-cash items:		
Temporary investments	27	12
Amounts receivable	94	(45)
Valuation allowance	55	32
Inventories	(8)	(5)
Prepaids	2	(10)
Accounts payable, accrued charges, provisions and deferrals	181	(74)
Pension liability	210	194
Amortization of foreign currency fluctuation	6	5
Amortization of debt discount	(42)	1
Unamortized losses on derivative contracts	12	53
Loss on disposal of tangible capital assets	22	17
Amortization of tangible capital assets	554	511
	591	131
Other Comprehensive Income (Schedule 3)	(167)	(32)
Changes in equity in government business enterprises	(54)	(149)
Cash provided by (used in) operating activities	370	(50)
Capital Activities		
Acquisition of tangible capital assets	(1,333)	(1,273)
Cash used in capital activities	(1,333)	(1,273)
Investing Activities		
Investments purchased	(2,758)	(1,833)
Investments sold or matured	2,276	1,369
Cash used in investing activities	(482)	(464)
Financing Activities		
Debt issued	4,735	4,060
Debt redeemed	(2,983)	(2,318)
Cash provided by financing activities	1,752	1,742
Increase (Decrease) in cash and cash equivalents	307	(45)
Cash and cash equivalents, beginning of year	1,293	1,338
Cash and cash equivalents, end of year	1,600	1,293
Supplementary information:		
Interest received	245	245
Interest paid	852	770

The accompanying notes and schedules are an integral part of these financial statements.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

A. General Basis of Accounting

The summary financial statements have been prepared in accordance with Canadian public sector accounting standards.

B. The Government Reporting Entity

Various funds, Crown organizations (Crowns) and government business enterprises (GBEs) comprising the Government Reporting Entity (GRE) are listed in Schedule 8 to the summary financial statements.

To be considered a part of the GRE, an organization must be controlled by the Government. Control, as defined by the Public Sector Accounting Board (PSAB), is the power to govern the financial and operating policies of another organization with expected benefits or the risk of loss to the Government from the other organization's activities.

C. Basis of Consolidation

Crowns are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the GRE as outlined in note 1D of the significant accounting policies. Inter-entity accounts and transactions are eliminated upon consolidation, except for retail sales tax. Where the fiscal year-end dates of Crowns are not the same as that of the GRE, and their transactions significantly affect the financial statements, their financial results are updated to March 31.

GBEs, whose principal activity is carrying on a business, maintain their accounts in accordance with accounting principles which are generally accepted for business enterprises and which are considered appropriate to their individual objectives and circumstances. They derive the majority of their revenue from sources outside the GRE. They are reported in these summary financial statements using the modified equity method of accounting. Under the modified equity method, the original investment of the Government, in GBEs, is initially recorded at cost and adjusted annually to include the net income or losses and other net equity changes of these enterprises, without adjusting their accounting policies to a basis consistent with that of the GRE.

The financial results of GBEs are not updated to March 31, where their fiscal year end is not the same as that of the GRE, except when transactions, which would significantly affect the summary financial statements, occur during the intervening period. Inter-entity accounts and transactions with GBEs are not eliminated. Supplementary financial information describing the financial position and results of operations of these enterprises is presented in Schedule 3 to the summary financial statements.

Effective January 1, 2011 all GBEs, except the Manitoba Hydro-Electric Board (Manitoba Hydro) adopted International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). IFRS standards are not required to be adopted by senior governments. As an entity reporting their operation under rate regulated accounting, Manitoba Hydro was eligible for an extension to January 1, 2015 for the adoption of IFRS.

On January 30, 2014 the IASB issued a new interim standard, IFRS 14 *Regulatory Deferral Accounts*. This standard allows GBEs to continue to use their existing rate regulated accounting practices upon adoption of IFRS until the IASB completes its comprehensive project on rate regulated accounting. This standard becomes effective January 1, 2016; however, early adoption is permitted. Manitoba Hydro will early adopt IFRS 14 upon its transition to IFRS.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Specific Accounting Policies

(i) Gross Accounting Concept

Revenues and expenses are recorded as gross amounts with the following exceptions:

(1) Refunds of revenue are treated as reductions of current year revenue.
(2) Decreases in valuation allowances are treated as reductions to expense.
(3) Where there is sufficient evidence that the borrowings undertaken by the Government are specifically on behalf of a GBE, the recoveries of the debt servicing costs on self-sustaining debt of GBEs are recorded as a reduction of debt servicing expense.

(ii) Revenue

(1) Government transfers

Transfer payments from the Government of Canada include all accruals determined for current year entitlements that have been authorized by March 31, for which any eligibility criteria have been met and that can be reasonably estimated.

(2) Taxes

Revenues from individual and corporation income tax are accrued in the year earned based upon estimates made by the Government of Canada using statistical models. These revenues are recorded at estimated amounts after considering adjustments for tax concessions and other adjustments from the Government of Canada. Transfers made through the tax system are recognized as an expense.

Revenues from other taxes are accrued in the year earned and are recorded net of tax concessions and other adjustments. Transfers made through the tax system are recognized as an expense.

(3) Other revenue

All other revenues are recorded on an accrual basis except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

(iii) Expenses

(1) Accrual accounting

All expenses incurred for goods or services received are recorded on an accrual basis.

Expenses include provisional amounts recorded in anticipation of costs, which are quantifiable and have been identified as obligations.

(2) Government transfers

Government transfers are recognized as expenses in the period in which the transfer is authorized, any eligibility criteria are met, and the amounts can be reasonably estimated.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iv) Financial Assets

(1) Accounts Receivable

Accounts receivables are recorded at their full expected amount. A valuation allowance is recorded when collection of the receivable is considered doubtful.

(2) Loans and advances

Loans and advances are recorded at cost less valuation allowances. A valuation allowance is provided to reduce the value of the assets to their estimated realizable value or to reflect the impact of significant concessionary terms on outstanding loans. Valuation allowances are made when collection is considered doubtful. Premiums that may arise from the early repayment of loans or advances are reflected as deferred revenue and are amortized monthly to debt servicing expense over the term of the loan or advance.

(3) Investments

Investments denominated in foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at March 31, unless the rate of exchange or a forward foreign exchange contract fixing the value has been negotiated, in which case that rate or amount is used. The year end investment translation adjustments reflecting the foreign currency fluctuation between year ends are amortized monthly over the remaining life of the investment and are included with debt servicing expense. Expenses and other transaction charges incurred on the purchase of investments during the year are charged to debt servicing expense. Those expenses incurred in a foreign currency are translated at the exchange rate in effect on the transaction date. Gains and losses on terminated derivative contracts are deferred and amortized on a straight-line basis over the remaining term of the contract.

(4) Inventories for resale

Inventories held for resale are recorded at the lower of cost and net realizable value.

(v) Liabilities

Liabilities are present obligations to outside parties and GBEs as a result of transactions and events occurring prior to the end of the fiscal year. The settlement of the liabilities will result in the future transfer or use of assets or other form of settlement. Liabilities are recorded at the estimated amount ultimately payable.

(1) Borrowings

All borrowings are expressed in Canadian dollars and are shown net of unamortized debt issue costs and debt of the Government held as provincial investments. Foreign borrowings are converted at the exchange rate in effect at March 31, adjusted for any forward foreign exchange contract entered into for settlement after the fiscal year end. Discounts or premiums, and commissions incurred at the time of the issue of debt are amortized monthly to debt servicing expense over the term of the debt.

The year end translation adjustments, reflecting the foreign currency fluctuation from the value at the issue date, are recorded through the unamortized foreign currency fluctuation account and amortized monthly to debt servicing expense over the remaining term of the debt. The unamortized portion of foreign currency fluctuation also reflects the gains or losses on the conversion of foreign currency debt called prior to maturity using the rates in effect at the time of the call. These gains or losses are amortized over the original remaining term of the debt or over the term of the replacement issue, whichever is shorter.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Premiums on interest rate options are amortized monthly over the period of the applicable agreement. If the option is exercised, the premium will continue to be amortized to the maturity date of the agreement. If the option is not exercised, any unamortized premium will be immediately taken into revenue or expense. Gains and losses on terminated derivative contracts are deferred and amortized on a straight-line basis over the remaining term of the contract.

(2) Pension liability

The Government accounts for employee pension plans by recognizing a liability and an expense in the reporting period in which the employee has provided service using the accrued benefit actuarial cost method, except as disclosed in Note 5. The value of plan assets is determined using a moving average fair value method. Under this method, fair value is the underlying basis, with any excess (or shortfall) of investment returns over (or below) the expected long-term rate being amortized over a five year period. When actual experience varies from actuarial estimates, for both the accrued benefit obligation and plan assets, the difference is amortized over the expected average remaining service life of the related employee group. Past service costs from plan amendments are recognized in full as expenses in the year of the amendment.

(3) Other future employee benefit obligations

The Government recognizes the cost of accumulating benefits in the periods the employee provides service. For benefits that do not vest or accumulate, a liability is recognized when the event that obligates the Government to pay benefits occurs.

The amount of the liabilities for severance, the Long Term Disability Income Plan and workers compensation claims are based upon actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations because actual experience is different from that expected and/or because of changes in the actuarial assumptions used. The resulting actuarial gains or losses for the severance liability are amortized over the expected average remaining service life of the related employee group. Actuarial gains and losses for the Long Term Disability Income Plan and the workers compensation claims are recognized as they arise.

The Government accrues a liability for vacation pay and accumulating, non-vesting sick pay benefits. The liability for accumulating, non-vesting sick pay benefits is based upon a review of past experience to extrapolate a liability based upon expected future utilization of currently accumulated benefits.

(4) Guarantees

Guarantees by the Government are made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit, mortgages and other securities. The provisions for losses on guaranteed loans are determined by a review of individual guarantees. A provision for losses on these guarantees is recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of probable claims against the guarantees. Where circumstances indicate the likelihood of claims arising, provisions are established for those loan guarantees.

(5) Environmental liabilities

An environmental liability for contaminated sites is recorded when contamination is identified, and when the Government is obligated, or likely to become obligated, to incur remediation costs due to reasons of public health and safety, contractual arrangements, or compliance with environmental standards which are set out in any act or regulation (federal, provincial, municipal) recognized by the Government. The liability is based upon remediation costs determined on a site-by-site basis, measured as incremental direct costs, reduced by estimated recoveries from third parties, and discounted, where possible, to reflect the time value of money.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

PSAB has issued a new standard with respect to the recognition and measurement of liabilities related to contaminated sites, effective for year ends commencing on April 1, 2014. The impact of changes between this new standard and the Government's current policy has not been reflected in these summary financial statements.

(vi) Non-Financial Assets

(1) Recognition and measurement

In the public sector, recognition and measurement of tangible capital and other non-financial assets are based on their future service potential. Generally, such assets do not generate future net cash inflows. Therefore, these assets will not provide resources to discharge the liabilities of the Government. For non-financial assets, the future economic benefit consists of their capacity to render service to fulfill the Government's objectives.

(2) Inventories

Inventories held for resale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date. Inventories held for use are classified as non-financial assets.

(3) Prepaid expenses

Prepaid expenses are payments for goods or services which will provide economic benefits in future periods. The prepaid amount is recognized as an expense in the year the goods or services are used or consumed.

(4) Tangible capital assets

The cost of tangible capital assets purchased includes the purchase price as well as costs such as installation costs, design and engineering fees, survey and site preparation costs and other costs incurred to put the asset into service. The cost of tangible capital assets constructed by the Government includes all direct construction costs such as materials, labour, design, installation, engineering, architectural fees, and survey and site preparation costs, as well as overhead costs directly attributable to the construction activity such as licenses, inspection fees, indirect labour costs, and amortization expense of any equipment which was used in the construction project. Any carrying costs associated with the development and construction of tangible capital assets is included for projects whose cost exceeds $20 million and development time exceeds one year.

Certain assets, which have historical or cultural value, including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

Intangible assets and items inherited by right of the Crown, such as Crown lands, forests, water and other mineral resources are not recognized in the Government's financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

General Tangible Assets:	
Land	Indefinite
Buildings and Leasehold Improvements	
Buildings	10 to 60 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 to10 years
Aircraft and vessels	5 to 24 years
Machinery, equipment and furniture	3 to 20 years
Maintenance and road construction equipment	15 years
Computer hardware, software licences	4 to 15 years
Infrastructure Assets:	
Land	Indefinite
Land Improvements	20 to 30 years
Transportation	
Bridges and Structures	40 to 75 years
Provincial Highways, Roads and Airstrips	10 to 40 years
Dams and Water Management Structures	40 to 100 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is put into service.

(vii) Changes in Accounting Policy

During 2014, all GBE's except Manitoba Hydro applied IAS 19 [revised] – *Employee Benefits* retrospectively in accordance with the transitional provisions set out in the revised standard. The adoption of IAS 19 [revised] resulted in a decrease to equity and an increase to other comprehensive income (OCI) of $20 million. There is no impact to the overall equity reported for the Government. The impact of the adoption of this standard is reflected in the Consolidated Statement of Accumulated Deficit and Schedule 3 of these summary financial statements.

(viii) Classification by Sector

The Province reports operational results under the following sectors; health, education, family services, community economic and resource development, justice and other expenditures, and general government. The entities and departments included in each sector are identified in Schedule 8 to the summary financial statements.

The health sector includes provincial health care programs and includes all health related entities and services.

The education sector includes all education services including elementary, secondary and post-secondary services, including the pension related expenses associated with this sector.

The family services sector includes all social services related to employment and income support for individuals in need as well as a comprehensive range of social services and financial assistance programs provided to Manitobans throughout the Province.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The community economic and resource development sector includes the promotion and development of the Province's natural resources including the support of industries within this sector. It also includes the operation and maintenance of transportation systems including highway infrastructure and other Government infrastructure. The sector also contains the management and administration of housing policies and benefits for low to moderate income renters and homeowners.

The justice and other expenditures sector include general administration, finance, executive and legislature, cultural and sport related activities. The sector contains criminal and civil legal services and programs that protect the rights of Manitobans. Also included in the sector are all general government pension related expenses.

The general government sector is comprised of those activities that cannot to be allocated to the specific sectors noted above.

Inter-segment transfers between sectors are measured at the exchange amount.

E. Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of individual and corporate income taxes, Canada Health Transfer and Canada Social Transfer entitlements, accruals for pension obligations, accruals for environmental obligations, allowances for doubtful loans, accruals for liabilities valued through actuarial valuations, such as long term disability, severance, sick pay obligations and workers compensation claims and advances and provision for losses on guarantees.

The nature of the uncertainty related to the accrual of health and social transfer payments from the Government of Canada and individual and corporate income taxes arises because of the possible differences between the estimates for the economic factors used in calculating the accruals and actual economic results. The uncertainty related to accruals for pension obligations arises because actual results may differ significantly from the Government's best estimates of expected results based on variables such as earnings on the pension investments, salary increases and the life expectancy of claimants. The uncertainty related to the accrual of environmental obligations is based upon the identification of all sites where environmental damages have occurred that are the Government's responsibility to mitigate and the quantification of what the actual liability will be based upon impact studies. Uncertainty concerning the allowance for doubtful loans and advances is based upon actual collectability and changes in economic conditions.

While management's best estimates have been used for reporting items subject to measurement uncertainty, it is possible that changes in future conditions in the near term could require a material change in the valuation of the reported amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

2. TEMPORARY INVESTMENTS

	($ millions) 2014	2013
Temporary investments	202	229

Temporary investments are recorded at cost, which approximates market value. Temporary investments consist of investments with financial institutions, government bonds and other short term investment vehicles. All of the securities have terms to maturity of less than one year.

3. PORTFOLIO INVESTMENTS

	($ millions) 2014	2013
Sinking funds	1,519	1,591
Other investments	747	842
Unamortized termination losses on derivative contracts	27	33
	2,293	2,466

Portfolio investments are recorded using the cost method. Under this method, any discount or premium arising on the purchase of a fixed term security is amortized over the period to maturity. Portfolio investments are written down to market value only in those circumstances where the loss in value is other than temporary in nature. As at March 31, 2014, the market value of portfolio investments was $2,267 million (2013 - $2,468 million). Portfolio investments earned $99 million during the year (2013 - $102 million).

Sinking Funds

Section 60 of *The Financial Administration Act* authorizes the Minister of Finance to provide for the creation and management of sinking funds for the orderly retirement of debt. The Government's sinking fund currently provides for the repurchase of foreign debt and the pre-funding of maturing debt issues. The sinking fund is invested principally in securities issued or guaranteed by federal and provincial governments. Sinking funds are invested in fixed income securities as follows:

	($ millions) 2014		2013	
	Book Value	Fair Value	Book Value	Fair Value
Government of Canada, direct and guaranteed	147	147	164	166
Provincial, direct and guaranteed	1,246	1,239	1,263	1,267
Municipal	101	102	136	138
Corporate	25	27	28	30
	1,519	1,515	1,591	1,601

Investment revenue earned on sinking funds during the year was $50 million (2013 - $61 million).
The sinking funds are allocated as follows:

	($ millions) 2014	2013
Sinking funds	1,544	1,672
Less: Uninvested portion of sinking funds held in cash and cash equivalents	(25)	(81)
Total sinking funds held in portfolio investments	1,519	1,591

3. PORTFOLIO INVESTMENTS (Continued)

Other Investments

	($ millions) 2014	2013
Guaranteed investment certificates	52	60
Bonds – Government of Canada, provincial and municipal	189	223
Bonds – Corporate	384	426
Equity investments	103	112
Investments in real estate	19	21
	747	842

As at March 31, 2014 the market value of other investments was $752 million (2013 - $867 million). Other investments earned $49 million during the year (2013 - $41 million).

4. EQUITY IN GOVERNMENT BUSINESS ENTERPRISES

The GBEs that are included in the summary financial statements are listed in Schedule 8 and are classified as follows:

Category	Definition
Utility	An enterprise which provides public utility services for a fee.
Insurance	An enterprise which provides insurance coverage services to the public for a fee.
Finance	Enterprises which provide regulatory control, and are revenue generating, or enterprises which use economy of scale to deliver goods and services to the public.

The operating results and financial position of each GBE category are reported in Schedule 3 to the summary financial statements.

Included in the equity in GBEs are equities, which are restricted for use by provincial legislation and thereby not available to discharge Government liabilities or to finance other Government programs. The equity in GBEs is comprised of:

	($ millions) 2014	2013
Restricted Equity in Government Business Enterprises:		
Deposit Guarantee Corporation of Manitoba	224	208
Manitoba Hydro-Electric Board	2,812	2,841
Manitoba Public Insurance Corporation	387	420
Workers Compensation Board	382	282
	3,805	3,751
Unrestricted Equity in Government Business Enterprises:		
Manitoba Lotteries Corporation	5	5
Manitoba Public Insurance Corporation	10	10
	15	15
Equity in Government Business Enterprises	3,820	3,766

5. PENSION PLANS

The Government participates in various pension plans. The two primary plans, in which the Government directly participates, are the Civil Service Superannuation Plan and the Teachers' Pension Plan. As per the Acts that administer these plans, the Government is responsible for 50% of pension benefits earned by employees. These Plans are joint trusteed plans. The Government's pension liability reflects its share of the actuarial present values of pension benefits attributed to services rendered by employees and former employees, net of any plan assets which are set aside by the Government in an irrevocable trust. As of March 31, 2014, the pension liability for the Civil Service Superannuation Plan was $726 million (2013 - $670 million) and the pension liability for the Teachers' Pension Plan was $1,272 million (2013 - $1,131 million).

Other pension plans in which the Government participates include the Members of the Legislative Assembly Plan, the Legislative Assembly Pension Plan, the Judges' Supplemental Pension Plan and the Winnipeg Child and Family Services Employee Benefits Retirement Plan. The Government is responsible for any excess of accrued pension benefits over pension fund assets for these plans.

The Government also includes several other pension plans in its pension liability. These other plans include post-secondary education pension plans and public school divisions' pension plans. Post-secondary education pension plans include the University of Manitoba Pension Plans, the University of Winnipeg Pension Plan and the Brandon University Retirement Plan. Public school divisions' pension plans include the Winnipeg School Division Pension Fund for Employees Other Than Teachers, Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division and Retirement Plan for Employees of Frontier School Division. The Government is responsible for any excess of accrued pension benefits over pension fund assets for these plans.

Employees in the health sector are members of the Health Care Employees Pension Plan, a multi-employer defined benefit pension plan established between employees and participating boards. Because the Government does not sponsor this plan, the accrued benefit liability of this plan is not recognized in these financial statements. The annual net benefit plan expense is the amount of required contributions provided for employees' services rendered during the year. During the year, the Government expensed contributions to this plan of $132 million (2013 - $132 million). At December 31, 2013 the Plan had an excess of net assets available for benefits over pension obligations of $259 million.

As at March 31, 2014, the total pension liability being reflected in the summary financial statements was $2,038 million (2013 - $1,828 million). Details related to the pension liability are provided in Schedule 6 to the Summary financial statements. The following provides general information on the contributions and benefit formulae of the various pension plans, which are included in this schedule.

A. Civil Service Superannuation Plan

The Civil Service Superannuation Act (CSSA) established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government through the Civil Service Superannuation Fund (CSSF).

The lifetime pension calculation equals 2% of a member's best five-year average yearly pensionable earnings multiplied by pensionable service, minus 0.4% of the average Canada Pension Plan (CPP) earnings multiplied by pensionable service since January 1, 1966.

The CSSA requires employees to contribute 6.5% of pensionable earnings up to the CPP maximum pensionable earnings, and 7.5% on pensionable earnings above the maximum. Commencing on July 1, 2012 employee contributions increased by .5% per year and will continue increasing by .5% until the 2015 calendar year. At that time employees will be required to contribute 8.0% of pensionable earnings up to the CPP maximum pensionable earnings, and 9.0% on pensionable earnings above the maximum. 89.8% of employee contributions are used to fund basic benefits and 10.2% of employee contributions are allocated to funding indexing benefits. The Government funds 50% of the monthly pension retirement benefits paid to retirees.

Indexing benefits are not guaranteed and are paid only to the extent that the indexing adjustment account in CSSF can finance one-half of the cost-of-living increases granted. The maximum annual adjustment is limited by legislation to two-thirds of the increase in the Consumer Price Index for Canada.

5. PENSION PLANS (Continued)

As a joint trusteed plan, Schedule 6 only reports the Province's conditional share of the net obligation. The estimated financial position of both the employee and employer components of the Civil Service Superannuation Plan are reported in the December 31, 2013 audited financial statements of CSSF. At December 31, 2013, after accounting for provincial pension assets held in trust and trust assets held in trust for GBE's, CSSF had an estimated accrued net obligation of $716 million (2012 - $1,249 million). This valuation is not on the same basis of reporting as the summary financial statements and does not include adjustments for unamortized actuarial gains or losses nor the impact of valuing assets on a market related value basis as opposed to market value. This valuation also includes estimated net obligations related to GBE's, which are included in the summary financial statements on a modified equity basis, and other entities that are not part of the GRE.

B. Teachers' Pension Plan

The Teachers' Pensions Act (TPA) established a defined benefit plan to provide pension benefits to teachers who have taught in public schools in Manitoba.

The lifetime pension calculation is generally based upon 2% of a member's average salary of the best five of the final 12 years of service (best seven prior to July 1, 1980) multiplied by pensionable service, minus the years of service multiplied by 0.6% of the annual salary up to the yearly maximum pensionable earnings. The pension amount is subject to a maximum of 70% of the average annual salary used above.

The TPA requires that teachers contribute 7.3% of pensionable earnings up to the CPP maximum earnings, and 8.9% of pensionable earnings above the maximum. Commencing September 1, 2012 teacher contributions increased .5% per year and will continue increasing at .5% per year until September 1, 2015. At that time the TPA will require teachers to contribute 8.8% of pensionable earnings up to the CPP maximum pensionable earnings and 10.4% of pensionable earnings above the maximum. 83.3% of teacher's contributions are used to fund basic benefits and 16.7% of teachers contributions are allocated for funding indexing benefits. The Government funds 50% of the monthly pension retirement benefits paid to retirees.

Indexing benefits are not guaranteed and are paid only to the extent that the indexing adjustment account in Teachers' Retirement Allowances Fund can finance one half of the cost-of-living increases granted. The maximum annual adjustment is limited by legislation to two-thirds of the increase in the Consumer Price Index for Canada.

As a joint trusteed plan, Schedule 6 only reports the Province's conditional share of the net obligation. The estimated financial position of both the employee and employer components of the Teachers' Pension Plan are reported in the December 31, 2013 audited financial statements of Teachers' Retirement Allowances Fund (Fund). At December 31, 2013, after accounting for provincial pension assets held in trust, the Fund had an estimated accrued net obligation of $1,383 million (2012 - $1,547 million). This valuation is not on the same basis of reporting as the summary financial statements and does not include adjustments for unamortized actuarial gains or losses nor the impact of valuing assets on a market related value basis as opposed to market value.

C. Other Government Plans

(i) Members of the Legislative Assembly Plan

The pension plan for Members of the Legislative Assembly (MLAs) is established and governed by *The Legislative Assembly Act* (LAA).

For MLAs elected prior to the dissolution of the Assembly of the 35th Legislature, the LAA provides for defined pension benefits based on years of service to April 1995. The calculation for defined pension benefits is equal to 3% of the average annual indemnities for the last five years served as a member or all the years served; if less than five, multiplied by the number of years of pensionable service up to April 1995. These entitlements are fully indexed to cost of living increases.

5. PENSION PLANS (Continued)

For those MLA's elected after the 35th Legislature in April 1995, the LAA provides for matching contributions. Under the matching contributions provisions, MLAs may contribute up to 7% of their remuneration toward a Registered Retirement Savings Plan (RRSP) of their choice. The Government matches the member's contributions on a current basis; consequently, there is no liability for past service benefits under this component of the plan. In the event that a member withdraws money from the RRSP, while an active member of the Legislative Assembly, the Government's contribution would be refundable back to the Government.

(ii) Legislative Assembly Pension Plan

The Members' Retirement Benefits Regulation of *The Legislative Assembly Act* established a defined benefit plan, effective April 1, 2004 that provides pension benefits to eligible MLAs who elect to participate in the plan.

The pension benefits accumulate up to a maximum period of 35 years at 2% per year of pensionable service based upon the average of the best five-year annual salaries, reduced by an amount equal to 0.25% times the number of months before the member's 60th birthday that the first pension payment is made. These entitlements are indexed to 2/3 of cost of living increases.

Active members must contribute 7% of their earned salary to the plan. The Government makes contributions as necessary to ensure the pension fund has sufficient assets to cover the monthly pension payments to retirees as well as ensuring there are sufficient funds to cover any of the plans liabilities. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

(iii) Judges' Supplemental Pension Plan

Manitoba Provincial Court Judges and Masters are members of the Civil Service Superannuation Plan; however, they also receive enhanced pension benefits under the Manitoba Provincial Court Judges and Masters' Supplemental Pension Plan. These supplemental pension benefits for judges are the difference between the total pension benefits for judges, including the amendments introduced by Judicial Compensation Committees, and the formula pension available under *The Civil Service Superannuation Act* (CSSA) as described above in Note 5A.

The supplemental pension is generally based upon an accrual rate of 3% for each year of service, as a judge, up to a maximum of 23.5 years, reduced by the pension provided under the CSSA. The combined total of the Judges' Supplemental Pension and Civil Service Superannuation Pension is subject to a maximum of 70% of earnings. These enhanced benefits are entirely funded by the Government.

(iv) Winnipeg Child and Family Services Employee Benefits Retirement Plan

Established effective December 29, 2003, the Winnipeg Child and Family Services Employee Benefits Retirement Plan (WCFSP) applies to employees of the former Winnipeg Child and Family Services Agency, who transferred to the Department of Family Services and Labour.

The lifetime pension calculation equals 2% of the member's highest average pensionable earnings in any three non-overlapping periods of 12 consecutive months, less 0.6% of the average CPP earnings for the same period multiplied by years of pensionable service. Indexing payments are subject to approval by the Trustees, subject to increases in the Consumer Price Index.

Members are required to contribute 4.5% of pensionable earnings up to the CPP maximum and 6% on pensionable earnings over the maximum. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

5. PENSION PLANS (Continued)

D. Other Pension Plans

(a) Post-Secondary

(i) University of Manitoba Pension Plan

The University of Manitoba administers The University of Manitoba Pension Plan (1970), The University of Manitoba Pension Plan (1993), and The University of Manitoba GFT Pension Plan (1986). These are trusteed pension plans. The Trustees are responsible for the custody of the plans' assets and issuance of annual financial statements. The December 2009 funding valuation indicated that the University of Manitoba Pension Plan (1993) was in a funding deficiency position which the University is funding over fifteen years at an annual additional payment of $4 million. In addition the Plan was amended effective January 1, 2011 to provide for increases in employee and employer contributions of .5% effective January 1, 2011, .5% effective January 1, 2012 and 1.0% effective January 1, 2013.

University of Manitoba Pension Plan (1993) is a money purchase plan with a defined benefit minimum. The funding for the plan requires a matching contribution from the University and the employees. The plan is not indexed. Retirement benefits are calculated by using the greater of the two methods: Formula and Plan Annuity. For each year of pensionable service, Formula benefit equals 2.0% of the average best five year salary, less 0.7% of the average best five year salary under the yearly maximum pensionable earnings in the year of retirement, to a maximum of 1/9 of the Pension Plans money purchase limit. The benefit is reduced by ¼% for each month between the actual pension commencement date and the age of 65. Plan Annuity benefit is based on contribution account balance, age of the retirement, and the annuity factor determined by the plan actuary.

The University of Manitoba Pension Plan (1970) operates as a defined contribution or money purchase arrangement for service since 2003. Certain members retain an entitlement to a hybrid formula for the service prior to 2003, similar to the 1993 Plan.

The University of Manitoba GFT Pension Plan (1986) is a defined contribution pension plan; therefore there is no requirement for an actuarial valuation of this plan.

(ii) University of Winnipeg Pension Plan

The University of Winnipeg administers the University of Winnipeg Pension Plan (UWPP), which is comprised of a defined benefit segment and a defined contribution segment. The assets of the Plan are held in trust by independent custodians.

The UWPP was established as a contributory defined benefit pension plan on September 1, 1972 and covers all eligible employees of the University, except those who are members of the United Church of Canada Pension Plan. The funding for the plan requires a matching contribution from the University and the employees. Annual pension equals 2.0% of the final five year average earnings multiplied by the years of pensionable service, less 0.6% of CPP average earnings for each year of pensionable service. The pension benefit is subject to a plan benefit maximum limit of $1,722.22 per year of pensionable service. At December 2010 the Plan had a going-concern deficiency of $25 million, which the University is addressing by making annual deficiency payments of $3 million until the deficiency is eliminated.

Since December 31, 2000, when the defined contribution segment of the Plan was introduced, approximately one-quarter of the eligible members converted to that plan. The obligation for pension benefits under the defined contribution segment of the Plan will always be equal to net assets in each member's account. Therefore, no surplus or deficiency arises from fluctuations in the investment market.

5. PENSION PLANS (Continued)

(iii) Brandon University Retirement Plan

Brandon University administers the Brandon University Retirement Plan, which is a trusteed pension plan. The Trustees are responsible for the custody of the Plan's assets and issuance of annual financial statements.

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established on April 1, 1974 for the benefit of the employees of Brandon University. The funding for the plan requires a matching contribution from the University and the employees.

Annual pension equals 2.0% of the final five year average earnings multiplied by the years of pensionable service, less 0.6% of CPP average earnings for each year of pensionable service. The pension benefit is subject to a plan benefit maximum limit of $1,722.22 per year of pensionable service for members retired on or before April 1, 2009, and $1,975.00 for those retiring after that date.

(b) Public School Divisions

(i) The Winnipeg School Division Pension Fund for Employees Other Than Teachers

The Winnipeg School Division Pension Fund for Employees Other Than Teachers is a defined benefit pension plan for employees that meet specified employment conditions. The fund was created by By-law 196 of the Winnipeg School Division (replaced by By-law 1017 on January 1, 1992) and is subject to the applicable regulations.

The pension calculation is based on an amount equal to 1.6% of a member's average pensionable salary and 2.0% of a member's average salary over the pensionable salary, multiplied by a member's years of pensionable service. The average salary is determined by averaging the best five years of employment salary in the last twelve years of service.

Employee contributions equal 7.8% of pensionable salary and 9.1% of the earnings in excess of pensionable salary up to the yearly maximum pensionable earnings, effective January 1, 2013. The percentages changed to 8.1% and 9.5% respectively, effective January 1, 2014. The Winnipeg School Division matches employee contributions and pays an additional 27.4% of employee contributions less the amount needed to finance the Disability Income Plan benefits (approximately 10%). As a result, employer contributions equal approximately 117.4% of employee contributions.

(ii) Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division

The St. James-Assiniboia School Division Retirement Plan for Non-teaching Employees is a defined benefit pension plan that was established on January 1, 1978 and is subject to the applicable regulations.

The pension calculation is based on an amount equal to 1.4% of a member's average employment earnings below CPP earnings and 2.0% of a member's employment earnings in excess of the CPP earnings, multiplied by a member's years of contributory service. The average employment earnings are determined by averaging the best six years of employment earnings in the last 12 years of service.

Effective July 1, 2013, employee contributions equal 7.7% of CPP earnings and 9.3% of the employment earnings in excess of CPP earnings. The St. James-Assiniboia School Division matches employee contributions. Effective July 1, 2014, employee contributions will change to 8.2% of CPP earnings and 9.8% of the employment earnings in excess of CPP earnings.

5. PENSION PLANS (Continued)

(iii) Retirement Plan for Employees of Frontier School Division

The Frontier School Division Retirement Plan is a defined benefit pension plan for non-teaching employees.

The pension benefit is based on an amount equal to 2.0% of a member's best average earnings, multiplied by a member's years of credited service. The average employment earnings are determined by averaging the best five years of employment earnings in the last ten years of service.

Employee contributions equal 8.6% of CPP earnings, with the Frontier School Division matching employee contributions. Effective July 1, 2014, employee contributions will increase to 9%. The Frontier School Division is responsible for the balance of the pension cost, of which a portion can be financed by an allocation from pension surplus.

E. Government Business Enterprises

Manitoba Hydro, Manitoba Liquor Control Commission, Manitoba Public Insurance Corporation and Manitoba Lotteries Corporation are members of the CSSF. The net pension liabilities for these GBEs are disclosed in Schedule 3.

6. CONTINGENCIES

A. Contingent Liabilities

i) Legal Actions

The Government has been named in various legal actions. No provision has been made at March 31, 2014 in the accounts where the final results are uncertain.

ii) Canadian Blood Services

The majority of provincial and territorial governments of Canada, including Manitoba, are members of, and provide funding to, Canadian Blood Services, which operates the Canadian blood system. The March 31, 2014 audited financial statements of Canadian Blood Services indicate that a wholly owned subsidiary, CBS Insurance Company Limited, provides for the contingent liabilities for risks related to operations of the blood system. The actuarially determined provisions for future insurance claims, reported and unreported, related to insured events that occurred prior to March 31, 2014 is $250 million (2013 - $250 million). The related assets as at March 31, 2014 total $384 million (2013 - $354 million). The subsidiary also had a re-insurance contract for additional coverage of $750 million.

Based upon the above, the Government's share of the provision for future claims as at March 31, 2014 is offset with designated assets, which at that point exceed the provision. In addition, there is re-insurance to cover an additional $750 million in claims of insured events occurring on or before March 31, 2014. The Government is not aware of any proceedings that could lead to a claim against it given the existing arrangement in place.

iii) Treaty Land Entitlement Obligations

To meet the Government's obligation under treaty land entitlement agreements, approximately 703,069 acres of provincial Crown lands have been made available or transferred to the Government of Canada for First Nations. The Government's obligations under the treaty land entitlement agreements require the setting aside of 1,426,454 acres of Crown lands and Other Lands (Acquisition). To date, approximately 990,663 acres of Crown lands have been selected by the Entitlement First Nations. The Crown lands will be transferred according to the Natural Resources Transfer Agreement, and the transfer will include mines and minerals and other interests normally reserved for the Government, under The Crown Land Act or any other statute.

6. CONTINGENCIES (Continued)

i) Government Business Enterprise Contingencies

Significant contingencies for Government Business Enterprises include:

Manitoba Hydro is party to an agreement dated December 16, 1977, with Canada the Province of Manitoba and the Northern Flood Committee Inc., representing the five First Nations in the communities of Cross Lake, Nelson House, Norway House, Split Lake and York Landing. This agreement, in part, provides for compensation and remedial measures necessary to ameliorate the impacts of the Churchill River diversion and the Lake Winnipeg Regulation projects. Reassessments of these liabilities will be made as settlements are achieved. As a result, the organization anticipates further mitigation issues, the outcomes of which are not determinable at this time.

Manitoba Hydro will incur future costs associated with the assessment and remediation of contaminated lands and facilities for the phase-out and destruction of polychlorinated biphenyl contaminated mineral oil from electrical equipment. A reasonable estimate of the associated costs cannot be made at this time.

The Deposit Guarantee Corporation of Manitoba has guaranteed $22 billion (2013 - $21 billion) in credit union deposits at the end of December 31, 2013. Based upon its ongoing monitoring procedures, the Corporation has concluded that a provision for such contingencies does not need to be established at this time.

B. Loan Guarantees

The Government has guaranteed the repayment of debt, promissory notes, bank loans, lines of credit, mortgages and securities held by others. Debt guaranteed by the Government is guaranteed, as to principal and interest, until the debt is matured or redeemed. The authorized limits and the outstanding guarantees are summarized as follows:

	Authorized Limit	($ millions) 2014	2013
Manitoba Business Start Program	5	3	3
Manitoba Agricultural Services Corporation (Note 6B.a)	-	80	80
Manitoba Student Aid Program (Note 6B.b)	20	-	-
Manitoba Housing and Renewal Corporation (Note 6B.c)	20	10	10
		93	93
Manitoba Grow Bonds		3	3
Total guarantees outstanding		96	96

A provision for future losses on guarantees in the amount of $18 million (2013 - $20 million) has been recorded in the accounts.

6. CONTINGENCIES (continued)

Note 6B.a) Manitoba Agricultural Services Corporation

The Manitoba Agricultural Services Corporation has guaranteed loans under the following programs:

Program	General Terms and Conditions
Operating Credit Guarantees for Agriculture	Each participating lending institution is guaranteed 25% of the respective value of loans made under this program.
Operating Credit Guarantees for Rural Small Business	Each participating lending institution is guaranteed the lesser of 25% of the amount advanced or 75% of the respective value of loans made under this program.
Manitoba Livestock Associations Loan Guarantees	Each association's lending institution is guaranteed 25% of the loan to a maximum guarantee of $5 million per association.
Enhanced Diversification Loan Guarantee Program	Guarantees are based on 25% of the original principal amount of each individual loan, with no maximum loan amount.
Rural Entrepreneur Assistance Program	Each participating lender is guaranteed up to 80% of the loan made to small rural non-agricultural business to a maximum guarantee of $0.2 million.

Note 6B.b) Manitoba Student Aid Program

The Government guarantees three types of student loans, issued in the past 19 years, as follows:

Loan type	Nature of loan
Guaranteed loans	Issued by the Canadian Imperial Bank of Commerce (CIBC) from April 1, 1993 to December 31, 1994. These loans are fully guaranteed, if the loan is deemed to be in default.
Limited risk loans	Issued by the CIBC from January 2, 1995 to December 31, 1997 and issued by the Royal Bank from June 2, 1997 to July 31, 2000. The Government only guarantees those loans in default that have been issued to credit abusers, insolvent creditors and minors.
Non-risk loans	Issued by the Royal Bank from August 1, 2000 to July 31, 2001. The Government has agreed to guarantee and purchase any loan deemed to be in default.

Note 6B.c) Manitoba Housing and Renewal Corporation

The Manitoba Housing and Renewal Corporation guarantees the repayment of various mortgages and issues various letters of credit, up to $20 million, which guarantee the terms and conditions of land development agreements and construction contracts.

6. CONTINGENCIES (Continued)

Manitoba HydroBonds and Hydro-Electric Board Bonds Guarantees

As at March 31, 2014, Manitoba Hydro has outstanding Manitoba HydroBonds and Manitoba Hydro-Electric Board Bonds amounting to $327 million (2013 - $237 million). These bonds carry fixed and variable coupon rates that range from 1.60% to 10.00%. Manitoba HydroBonds are redeemable at the option of the holder. The Government guarantees $263 million (2013 - $163 million) of these outstanding bonds.

7. CONTRACTUAL OBLIGATIONS

The Government has entered into a number of multi-year contracts and agreements for the delivery of services and the acquisition or construction of assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. The following represents the amounts required to satisfy the contractual obligations, by the year that it is anticipated that the terms of the contract will be met, as at March 31:

($ millions)	2015	2016	2017	2018	2019	2020 and beyond	Total
Government departments, Crowns and Special Funds	446	249	227	220	218	287	1,647
Government Business Enterprises	9	9	8	7	7	44	84
Total	455	258	235	227	225	331	1,731

Other significant obligations not included in the table above are:

Crown Corporations

Crowns of the Province have entered into contractual arrangements related to construction projects totalling $543 million (2013 - $565 million).

Government Business Enterprise Contractual Obligations

Manitoba Hydro has energy purchase commitments of $1,571 million (2013 - $1,592 million) that relate to future purchases of wind, natural gas (including transportation and storage contracts), coal and electricity. Commitments are primarily for wind, which expire in 2038, and natural gas purchases, which expire in 2020. In addition, other outstanding commitments principally for construction, are approximately $2,676 million (2013 - $1,592 million).

Manitoba Lotteries Corporation has purchase commitments of $19 million related to Casino construction projects.

Manitoba Hydro provides guarantees to counterparties as part of its use of natural gas derivative commodity contracts. Guarantees issued at March 31, 2014 totalled $311 million (2013 - $289 million) and do not have specific maturity dates.

Workers Compensation Board has contractual agreements to contribute funding to a maximum of $81 million (2013 - $9 million) to specific investment projects. These will be financed from their existing investment portfolio or from available cash.

8. DEBT SERVICING

Debt servicing costs of $821 million (2013 - $839 million) are net of interest recoveries from GBEs of $521 million (2013 - $517 million), interest on provincial debt held as investments of $13 million (2013 - $13 million) and include $42 million (2013 - $38 million) representing interest expense of Crown organizations. GBEs debt servicing costs of $480 million (2013 - $496 million) are reported in Schedule 3.

9. AMOUNTS DUE TO THE GOVERNMENT OF CANADA

To offset negative adjustments to the 2004 Equalization payments, the Government of Canada provided a loan payable to the Government of $38 million repayable over a ten-year period, commencing in April 2006. As at March 31, 2014, this loan payable had been reduced to $8 million (2013 - $11 million). Similarly, to offset negative adjustments to the 2004 Canada Health and Social Transfer (CHST) entitlements, the Government of Canada provided a loan payable to the Government of $9 million repayable over a ten-year period, commencing in April 2006. As at March 31, 2014 this loan payable had been reduced to $2 million (2013 - $3 million). These loans are non-interest bearing.

Through the Manitoba Opportunities Fund Ltd., the Government holds and invests deposits made through the Federal Department of Citizenship and Immigration, Canada's Immigrant Investor Program. As at March 31, 2014, the Government has loans payable of $282 million (2013 - $275 million) to be repaid to the Government of Canada five years after receipt. The Government is charged an administrative fee for each loan.

10. AMOUNTS HELD IN TRUST

Amounts held in trust are assets over which the Manitoba Legislature has no power of appropriation. The amounts are not included in the summary financial statements because the Government has no equity in the amounts and administers them according to trust or other agreed-upon arrangements. As at March 31, 2014 amounts held in trust were as follows:

	($ millions) 2014	2013
Fiduciary Trusts	571	563
Custodial Trusts	123	128
	694	691

Fiduciary Trusts

The Government holds certain interest bearing deposits as fiduciary trusts. These deposits are pooled with the Government's investments in order to earn a market rate of interest.

Custodial Trusts

The Government holds custodial trust funds in the form of bonds and other securities.

11. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Borrowings in both Canadian and foreign financial markets result in exposure to risks, which include foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Government employs various risk management strategies and operates within fixed risk exposure limits to ensure exposure to risk is managed in a prudent and cost effective manner. A variety of strategies are used, including the use of derivative financial instruments (derivatives).

Derivatives are financial contracts, the value of which is derived from underlying instruments. The Government uses derivatives to hedge and to mitigate foreign exchange risk and interest rate risk. The Government does not use derivatives for speculative purposes.

11. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Foreign exchange risk

Foreign exchange risk is the risk that the cash flows needed to repay the interest and principal on loans in foreign currencies will vary due to fluctuations in foreign exchange rates.

To manage this risk, the Government uses derivative contracts, including foreign exchange forward contracts as well as swaps, to convert foreign currency principal and interest cash flows into Canadian dollar denominated cash flows. The current portfolio of foreign debt is fully hedged through the use of derivatives and U.S. dollar sinking funds, except for the impact of the unamortized foreign exchange fluctuation account of $33 million (2013 - $39 million). This account is fixed with no sensitivity to future foreign exchange rates.

Derivative contracts hedge the underlying debt by matching the critical terms to achieve effectiveness. The current policy has hedged the foreign currency debt principal and interest payments through the use of derivatives in relation to general purpose debt.

Manitoba Hydro has exposure to U.S. dollar foreign exchange fluctuations primarily through the sale and purchase of electricity and fuel in the U.S. This exposure is managed through a long-term natural hedge between U.S. dollar cash inflows from export revenues and U.S. dollar cash outflows for long-term debt coupon and principal payments and thermal fuel purchases. For its U.S. debt retirement purposes, Manitoba Hydro has a hedging relationship between U.S. dollar long-term debt balances and U.S. sinking funds. As a means to bridge temporary timing differences between inflows and outflows to future years' U.S. dollar requirements, Manitoba Hydro also utilizes derivative foreign exchange forward contracts as required.

Interest rate risk

Interest rate risk is the risk that debt servicing costs will vary unfavourably according to interest rate fluctuations.

To reduce its exposure to interest rate risk, the Government uses derivatives to manage the fixed and floating interest rate mix of its debt portfolio.

After taking into account derivatives used to manage interest rate risk, investments held as sinking funds and eliminating debt incurred on behalf of Manitoba Hydro, the structure of the debt as at March 31, 2014 was 89% at fixed rates and 11% at floating rates (2013 – 88% at fixed rates and 12% at floating rates). A one percent (100 basis points) movement in interest rates on the 11% floating rate debt for an entire year would increase/decrease debt servicing costs, net of recoveries, by $23 million (2013 - $24 million).

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations.

The Government manages its credit risk exposure from derivatives by, among other activities, dealing only with high credit quality counterparties and regularly monitoring compliance to credit limits. In addition, the Government enters into contractual agreements ("master agreements") with all of its counterparties. As at March 31, 2014 the Government has a gross credit risk exposure related to derivatives of $208 million (2013 - $47 million).

Liquidity risk

Liquidity risk is the risk that the Government will not be able to meet its financial commitments over the short term.

To reduce liquidity risk, the Government maintains liquid reserves (i.e. cash and cash equivalents) at levels that will meet future cash requirements and will give the Government flexibility in the timing of issuing debt. In addition, the Government has short-term note programs, bank lines and sinking funds as alternative sources of liquidity. This risk is also managed by distributing debt maturities over many years.

11. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Derivative portfolio

The following table presents the fair value of derivative financial instruments with contractual or notional principal amounts outstanding at March 31:

	($ millions)			
	2014		2013	
	Notional Value	Fair Value	Notional Value	Fair Value
Interest rate and cross currency swaps	38,486	(461)	40,199	(1,274)

Notional amounts of derivatives contracts represent the contractual amounts to which a rate or price applied for computing the cash flows to be exchanged. The notional amounts are used to determine the gains/losses and fair value of the contracts and are generally a measure of the exposure to the asset class to which the contract relates. They are not recorded as assets or liabilities on the statement of financial position. Notional amounts do not represent the potential gain or loss associated with the market risk or credit risk associated with the derivative contract.

Fair values of the swap agreements are the estimated amount that the Government would receive or pay, based on market factors, if the agreements were terminated on March 31. They are established by discounting the expected cash flows of the swap agreements using year-end market interest and exchange rates. A positive (negative) fair value indicates that the government would receive (make) a payment if the agreements were terminated.

12. SIGNIFICANT TRANSACTIONS WITH GOVERNMENT BUSINESS ENTERPRISES

Transactions with GBEs are not eliminated for purposes of summary reporting because they are reported in these summary financial statements using the modified equity method of accounting. These financial statements include the following transactions between the Government and GBEs, which have not been eliminated:

A. Accounts Receivable

Amounts receivable includes receivables from GBEs as reported in Schedule 1 to the summary financial statements. Loans and advances to GBEs are reflected in Schedule 2 to the summary financial statements.

B. Borrowings

Borrowings include $603 million (2013 - $551 million) owed to Manitoba Public Insurance Corporation (MPIC) relating to the capital financing of school board and health care facilities. Borrowings also include debt in the amount of $263 million (2013 - $236 million) and $1 million (2013 - $40 million) owed to MPIC and Manitoba Hydro respectively, related to the financing of other Government programs.

These borrowings are repayable over a term from 2014 to 2042 at varying interest rates ranging from 1.60% to 10.00%.

C. Water Power Rentals

Water power rental fees charged to Manitoba Hydro, in the amount of $118 million (2013 - $111 million), are included in the Consolidated Statement of Revenue and Expense under the fees and other revenue category. Water power rental rates are authorized by Regulation 25/88 and 197/2001 under *The Water Power Act*. Rentals are paid to the Government for the use of water resources in the operation of Manitoba Hydro's hydroelectric generating stations.

12. SIGNIFICANT TRANSACTIONS WITH GOVERNMENT BUSINESS ENTERPRISES (continued)

D. Fees on Government Guarantees

Manitoba Hydro remitted $99 million (2013 - $93 million) to the Government based on the amount of their debt that is guaranteed by the Government. The fees are included in the Consolidated Statement of Revenue and Expense under the sinking funds and other investment earnings category.

E. Driver Licensing Operations

The Government, by agreement, paid $28 million (2013 - $28 million) to Manitoba Public Insurance Corporation (MPIC) for the management and administration of driver licensing. MPIC, on behalf of the Government, collected driver licensing fees totalling $23 million (2013 - $23 million) and motor vehicle registration fees totalling $176 million (2013 - $151 million).

The fees received by the Government are included in the Consolidated Statement of Revenue and Expense under the fees and other revenue category.

F. Other Revenue

Under *The Workplace Safety and Health Act of Manitoba*, the Workers Compensation Board supports the administrative expenses incurred by the Government's Department of Labour and Immigration for the Workplace Safety and Health program and the Worker Advisor Office. The amount for the year ended March 31, 2014 was $9 million (2013 - $9 million).

The Manitoba Lotteries Corporation provided $5 million in funding for the year ended March 31, 2014 (2013 - $4 million) to the Addictions Foundation of Manitoba for problem gambling services programs.

Manitoba Hydro paid the Province Corporation Capital Tax of $61 million for the year ended March 31, 2014 (2013 - $57 million).

These amounts received by the Government are included in the Statement of Revenue and Expense under the fees and other revenue and other taxes categories.

13. EXPENSES IN EXCESS OF LEGISLATIVE AUTHORITY

In addition to producing a summary budget as presented on the summary financial statements, Consolidated Statement of Revenue and Expense, the Government continues to provide budget estimates for the Core Government revenue and expenses. PSAB accounting standards recommend disclosure of information where a government has exceeded its revenue, borrowing, investing, expense or expenditure authority limits. The budget estimate presented on the Consolidated Statement of Revenue and Expense, excludes $228 million in special warrants related to the Core Government. The original budget estimate amounts plus the $228 million in special warrants becomes the revised estimates, against which expenses in excess of legislative authority are determined.

Based upon the revised estimates, the following departments were over-expended as a result of adjustments made after March 31, 2014:

	($ millions)
Health, Healthy Living and Seniors	
Health Services Insurance Fund	16
Infrastructure and Transportation	
Government Services Program	1
Mineral Resources	
Mineral Resources division	4
Other Appropriations	
Emergency Expenditures	49

14. COMPARATIVE FIGURES

On October 18, 2013, the Government announced organizational changes that resulted in responsibility for certain functions being transferred between departments. As a result, certain 2013 financial statement and budget figures have been reclassified to be consistent with the 2014 presentation.

SCHEDULE 1

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF AMOUNTS RECEIVABLE
As at March 31, 2014

	($ millions) 2014	2013
TAXATION REVENUE:		
Corporation capital tax	-	6
Levy for health and education	40	40
Individual income tax	196	186
Insurance corporations tax	20	20
Motive fuel tax	30	28
Oil and natural gas tax	1	2
Retail sales tax	215	182
Tobacco tax	24	23
	526	487
GOVERNMENT OF CANADA AND OTHER GOVERNMENTS:		
Municipal corporations	244	227
Government of Canada shared cost programs/agreements	441	649
Other	54	38
	739	914
INTEREST:		
Sinking fund	10	12
Other investments	2	3
	12	15
OTHER:		
Health and social services	159	146
Manitoba Hydro-Electric Board	11	10
Manitoba Liquor Control Commission	50	42
Manitoba Lotteries Corporation	24	21
Sundry departmental revenue	124	116
Other	159	147
	527	482
	1,804	1,898
Less: Allowances	256	237
Total Amounts Receivable	1,548	1,661

SCHEDULE 2

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF LOANS AND ADVANCES
As at March 31, 2014

	($ millions) 2014	2013
GOVERNMENT BUSINESS ENTERPRISES:		
Manitoba Hydro-Electric Board	10,683	9,775
Manitoba Lotteries Corporation	283	241
	10,966	10,016
Less: Debt incurred for and repayable by the Manitoba Hydro-Electric Board	10,683	9,775
	283	241
OTHER:		
Loans and mortgages - Note a	673	646
Stadium loan - Note b	178	171
Manitoba student loans - Note c	92	79
Family services agencies - Note d	29	29
Other	4	4
	976	929
TOTAL LOANS AND ADVANCES	1,259	1,170
Less: Valuation allowance	114	74
NET LOANS AND ADVANCES	1,145	1,096

The government business enterprises loans and advances portfolio is due in varying annual amounts to the year 2063, bearing interest at either:

i) fixed with rates ranging from 1.85% to 10.50%; or

ii) floating Canadian - Bankers Acceptance (BA) setting, established monthly or quarterly, with the 1 month BA rate at 1.22700 and 3 month BA rate at 1.26600 as at March 31, 2014.

Note a

i)	Agricultural direct lending and special assistance program mortgages, due in varying annual amounts to the year 2039, bearing interest rates ranging from 3.0% to 11.25%.	425	385
ii)	Housing direct lending and special assistance program mortgages, due in varying annual amounts to the year 2053, bearing interest rates ranging from 0.0% to 14.25%.	123	128
iii)	Business development assistance loans, due in varying annual amounts to the year 2040, bearing interest rates ranging from 0.0% to 7.375%.	95	104
iv)	Northern business development and fishing industry assistance loans, due in varying annual amounts to the year 2034, bearing interest rates ranging from 4.25% to 9.88%.	30	29
		673	646

Note b Stadium loan to BBB Stadium Inc, issued in two phases, payment due in varying annual amounts to 2038 on Phase 1 and 2058 for Phase 2, bearing interest at 4.65%.

Note c Student loans, payment and interest free until 6 months past the completion of studies, due 114 to 174 months after that time, carrying interest at prime.

Note d Advances to provide family services agencies with advances prepayment of fee for service charges, to be repaid when no longer required, bearing no interest.

SCHEDULE 5

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCOUNTS PAYABLE, ACCRUED CHARGES, PROVISIONS AND UNEARNED REVENUE
As at March 31, 2014

	($ millions) 2014	2013
Accounts payable	1,374	1,344
Accrued charges:		
Interest accrued on borrowings	196	202
Canadian Agricultural Income Stabilization / AgriInvest	50	60
Compensation for Victims of Crime	21	22
Disaster assistance	249	125
Flood claims	14	15
Infrastructure works program	10	5
Long term disability income plan	25	23
Environmental liabilities	389	402
Salaries and benefits	690	639
Sick pay obligations	70	69
Severance pay	404	387
Workers Compensation Board claims	29	24
Other	91	98
	2,238	2,071
Provision for future losses on guarantees (Note 6)	18	20
Unearned Revenue:		
Deferred contributions related to future expense	73	69
Government of Canada - advances re: shared-cost programs not yet claimed	63	74
Research and special funds	94	87
Tuition and education fees	38	35
Vehicle registration	79	77
Other	66	85
	413	427
Total Accounts Payable, Accrued Charges, Provisions and Unearned Revenue	4,043	3,862

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 3

GOVERNMENT BUSINESS ENTERPRISES

SCHEDULE OF CONSOLIDATED OPERATING RESULTS AND FINANCIAL POSITION

For the Year Ended March 31, 2014

($ millions)

CHANGES IN EQUITY	UTILITY	INSURANCE	FINANCE	TOTAL 2014	TOTAL 2013 Restated
Results from Operations					
Revenues from operations	2,329	1,637	1,463	5,429	5,000
Expenses: From operations	1,684	1,582	900	4,166	3,765
Debt servicing	471	-	9	480	496
Total expenses	2,155	1,582	909	4,646	4,261
Net income	174	55	554	783	739
Other Comprehensive Income (Loss)	(203)	28	8	(167)	(32)
Total Comprehensive Income (Loss)	(29)	83	562	616	707
Transfers to the Government	-	-	(562)	(562)	(558)
Net increase in equity in government business enterprises	(29)	83	-	54	149
FINANCIAL POSITION					
Assets:					
Cash and temporary investments	142	102	40	284	266
Amounts receivable	520	373	49	942	828
Portfolio investments - Due from Government and Government organization	111	850	-	961	1,155
Due from others	-	3,086	-	3,086	2,744
Capital assets	13,246	153	372	13,771	12,658
Other assets	1,149	194	58	1,401	1,346
Total assets	15,168	4,758	519	20,445	18,997
Liabilities:					
Accounts payable, accrued liabilities and deferred revenue	1,578	720	206	2,504	2,284
Long-term debt: Owing to Government	10,683	-	284	10,967	10,016
Other borrowings, discounts and deferred transaction cost	185	4	-	189	214
Provision for future benefits: Net pension obligations (assets)	(90)	285	17	212	189
Future cost of existing claims	-	2,746	7	2,753	2,528
Total liabilities	12,356	3,755	514	16,625	15,231
Equity in government business enterprises	2,812	1,003	5	3,820	3,766

Note a: For government business enterprises whose fiscal year end is prior to March 31, the amounts reflected are as at their fiscal year end.

Note b: The Manitoba Liquor Control Commission and Manitoba Lotteries Corporation were merged into a single entity, effective April 1, 2014.

CONSOLIDATED STATEMENT OF BORROWINGS
As at March 31, 2014

($ millions)

Fiscal Year of Maturity	Bonds and Debentures Cdn	Bonds and Debentures US	Canada Pension Plan Cdn	Loans and Mortgages Cdn	Promissory Notes and Treasury Bills Cdn	Totals 2014	Totals 2013
2014	-	-	-	-	-	-	4,401
2015	2,965	111	-	66	1,075	4,217	2,537
2016	1,983	-	-	71	-	2,054	2,056
2017	2,007	593	-	55	-	2,615	2,521
2018	2,466	-	-	34	-	2,490	2,395
2019	1,536	884	-	66	-	2,486	1,838
2014-2019	10,447	1,588	-	291	1,075	13,961	15,948
2020-2024	6,074	332	15	338	-	6,759	4,578
2025-2034	3,139	-	-	-	-	3,139	2,649
2035-2063	7,927	-	477	-	-	8,404	7,086
2014-2043 Crown Organizations	688	-	-	281	-	881	811
2020-2055	17,731	332	492	619	-	19,174	15,124
Total borrowings	28,178	1,880	492	910	1,075	33,135	31,072
Reduced by:							
Debt incurred for and recoverable by the Manitoba Hydro-Electric Board						(10,683)	(9,775)
Unamortized debt issue costs						(98)	(93)
Unamortized foreign currency fluctuation						(30)	(36)
Unamortized gains and losses on derivative contracts						982	191
Province of Manitoba debt issues held as investments in sinking funds and cash and cash equivalents						(540)	(568)
						21,946	20,796

	March 31/14 Cdn $ Valuation (See Notes)	March 31/13 Cdn $ Valuation (See Notes)
Borrowings payable in:		
Canadian dollars	25,191	22,529
Foreign issues hedged to Canadian dollars	6,154	6,372
U.S. dollars	1,880	1,727
Foreign issues hedged to U.S. dollars	-	344
Total borrowings	33,135	31,072

Note a: The hedges are derivative contracts which include swaps and forward foreign exchange contracts.

Note b: The Canadian dollar valuation is calculated using the foreign currency exchange rates in effect at each March 31 adjusted for any forward foreign exchange contracts entered into for settlement after year-end.

Note c: Interest rates on these borrowings fall into one of three categories:

i) Fixed with rates ranging from 1.40% to 10.66%.

ii) Floating Canadian - Bankers Acceptance (BA) setting, established quarterly or monthly, with the lowest rate currently set at 1.02% and the highest set at 4.56% as at March 31, 2014.

iii) Floating U.S. - U.S. Dollar London Interbank Offering Rate (LIBOR) setting, established quarterly, with the lowest rate currently set at 0.23% and the highest set at 0.46% as at March 31, 2014.

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 6

CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2014

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans (Note A)	Public School Division Plans (Note A)	Other Plans (Note A)	Total 2014 ($ millions)	Total 2013
ACCRUED BENEFIT OBLIGATION							
Obligation at beginning of year	2,524	3,315	1,338	407	104	7,688	7,340
Current service costs	82	83	61	18	4	248	239
Interest cost on benefit obligation	148	215	78	24	5	470	447
Change in actuarial (gains) losses and reserves	(1)	36	-	1	1	37	66
Plan amendment	-	-	-	-	-	-	(4)
Benefits paid	(134)	(169)	(103)	(21)	(6)	(433)	(402)
Obligation at end of year	2,619	3,480	1,374	429	108	8,010	7,686
PLAN ASSETS							
Plan assets at beginning of year	1,712	1,835	1,100	410	40	5,157	4,814
Employer contributions	82	89	53	8	6	239	267
Employee contributions	-	-	27	8	1	37	37
Transfer of plan assets	5	-	-	-	-	5	-
Plan asset contributions	-	-	-	-	-	-	-
Benefits paid	(134)	(169)	(103)	(21)	(6)	(433)	(402)
Expected return on plan assets	101	113	73	24	2	313	366
Experience gains (losses)	145	152	92	(5)	2	386	903
Market value of plan assets	1,911	2,020	1,302	426	45	5,704	5,985
Deferred investment losses (gains)	(110)	(140)	(55)	10	(1)	(296)	(870)
Market related value of plan assets	1,801	1,880	1,247	436	44	5,408	5,115
PENSION LIABILITY							
Plan deficit (surplus)	818	1,600	127	(7)	64	2,602	2,571
Unamortized actuarial gains (losses)	(92)	(328)	(127)	(22)	3	(566)	(746)
Surplus adjustments (Note B)	-	-	-	1	1	2	3
Pension liability	726	1,272	-	(28)	68	2,038	1,828
PENSION EXPENSE							
Defined benefit pension plan expense:							
Current service cost	82	83	61	18	4	248	239
Interest cost on benefit obligation	148	215	78	25	5	471	448
Return on plan assets	(101)	(113)	(73)	(24)	(2)	(313)	(366)
Employee contributions	-	-	(27)	(8)	(1)	(37)	(32)
Amortization of actuarial (gains) losses	14	45	24	2	1	86	69
Plan amendment	-	-	-	-	-	-	-
Change in surplus adjustments	-	-	-	(2)	1	(1)	(4)
Defined benefit pension plan expense	143	230	63	10	8	454	405
Defined contribution pension plan expense	-	-	5	17	132	154	153

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2014

SCHEDULE 6
(cont'd)

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans	Public School Division Plans	Other Plans	Total 2014	Total 2013
MEMBER DATA							
Defined benefit pension plan							
Number of active and deferred members	34,200	22,400	6,100	4,300	300	67,300	67,100
Number of pensioners	18,300	13,100	1,700	1,600	300	35,000	34,300
Total number of plan members	52,500	35,500	7,800	5,900	600	102,300	101,400
ACTUARIAL ASSUMPTIONS							
Discount rate on accrued benefits	6.00%	6.50%	5.25% - 6.00%	5.50% - 6.00%	5.60% - 5.50%		
Expected long-term rate of return	6.00%	6.50%	5.00% - 6.50%	5.50% - 6.00%	5.60% - 5.50%		
Inflation	2.00%	2.25%	2.00% - 2.50%	2.00% - 2.50%	2.00% - 2.50%		
Real rate of return	4.00%	4.25%	3.25% - 4.00%	3.50%	3.60% - 3.50%		
Rate of salary increase	3.75%	3.00%	3.00% - 3.50%	3.00% - 4.00%	3.50%		
Latest valuation	(Note C)	(Note C)	(Note C)	(Note C)	(Note C)		

Note A: Post-Secondary Education plans include the University of Manitoba Pension Plans, the University of Winnipeg Pension Plan and the Brandon University Retirement Plan.

Public School Division plans include the Winnipeg School Division Pension Fund for Employees Other Than Teachers, Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division and Retirement Plan for Employees of Frontier School Division.

Other plans include the Members of Legislative Assembly Pension Plan, the Legislative Assembly Pension Plan, the Judges' Supplemental Pension Plan, and the Winnipeg Child and Family Services Employee Benefits Retirement Plan.

Note B: For those plans that the Government is unable to access surplus funds within the plan, adjustments are made to record an allowance against these surplus amounts. These pension surplus allowances represent the excess of the adjusted benefit asset over the employers' share of the expected future benefit.

Note C: The latest actuarial valuation report dates and the estimated average remaining service life (EARSL), in years, are as follows:

	Valuation Date	EARSL
- Civil Service Superannuation Plan	Dec 2012	14.1
- Teachers' Retirement Allowance Plan	Jan 2012	11.0
- University of Manitoba Pension Plans	Dec 2012	9.0
- University of Winnipeg Pension Plan	Dec 2012	7.9
- Brandon University Retirement Plan	Dec 2013	9.6
- Winnipeg School Division Pension Fund for Employees Other than Teachers	Dec 2012	12.0
- Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division	Dec 2012	13.0
- Retirement Plan for Employees of Frontier School Division	Dec 2012	13.0
- Members of Legislative Assembly Pension Plan	Mar 2013	5.9
- Legislative Assembly Pension Plan	Dec 2010	8.0
- Judges' Supplemental Pension Plan	Mar 2010	10.0
- Winnipeg Child and Family Services Employee Benefits Retirement Plan	Dec 2012	0.0

SCHEDULE 7

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
For the Year Ended March 31, 2014
($ millions)

	General Capital Assets					Infrastructure				Totals	
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Land and Land Improvements	Transportation	Dams and Water Management Structures	Assets Under Construction	2014	2013
Cost											
Opening cost	233	7,020	2,460	822	975	345	4,021	902	242	16,719	15,529
Add:											
Additions during the year	18	592	177	67	64	18	305	26	81	1,333	1,273
Less:											
Disposals and write downs	(1)	(28)	(122)	(28)	(2)	-	-	-	-	(179)	(80)
Settlements and reclassifications	1	30	(5)	4	(43)	10	161	8	(176)	-	-
Closing cost	251	7,614	2,509	865	994	373	4,487	936	147	17,873	16,719
Accumulated amortization											
Opening accumulated amortization	-	2,948	1,671	516	-	61	1,605	76	-	6,877	6,429
Add:											
Amortization	-	190	148	66	-	6	138	8	-	564	511
Less:											
Accumulated amortization on disposals, write downs	-	(12)	(110)	(28)	-	(2)	-	-	-	(157)	(63)
Closing accumulated amortization	-	3,126	1,709	554	-	65	1,743	84	-	7,274	6,877
Net Book Value of Tangible Capital Assets	251	4,488	807	308	994	308	2,744	552	147	10,599	9,842

During the year, the Province capitalized $12 million of interest relating to assets under construction (2013 - $19 million).

SCHEDULE 8

FUNDS, ORGANIZATIONS AND BUSINESS ENTERPRISES COMPRISING THE GOVERNMENT REPORTING ENTITY

HEALTH

- Manitoba Health, Healthy Living and Seniors
- Addictions Foundation of Manitoba
- CancerCare Manitoba
- Diagnostic Services of Manitoba Inc.
- Manitoba Health Services Insurance Plan
- Manitoba Hospital Capital Financing Authority
- Not-for-Profit Personal Care Homes
- Regional Health Authorities of Manitoba Inc.
- Regional Health Authorities (including controlled organizations)
  - Interlake-Eastern Regional Health Authority
  - Northern Regional Health Authority
  - Prairie Mountain Health
  - Southern Health - Santé Sud
  - Winnipeg Regional Health Authority
- Rehabilitation Centre for Children Inc.
- St. Amant Centre

EDUCATION

- Manitoba Education and Advanced Learning
- Assiniboine Community College
- Brandon University
- Université de Saint-Boniface
- Council on Post-Secondary Education
- Manitoba Text Book Bureau
- Public School Divisions
- Public Schools Finance Board
- Red River College
- University College of The North
- University of Manitoba
- University of Winnipeg

FAMILY SERVICES

- Manitoba Children and Youth Opportunities
- Manitoba Family Services
- First Nations of Northern Manitoba Child & Family Services Authority
- First Nations of Southern Manitoba Child & Family Services Authority
- General Child and Family Services Authority
- Métis Child and Family Services Authority Inc.

SCHEDULE 8
(cont'd)

COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT

Manitoba Aboriginal and Northern Affairs
Manitoba Agriculture, Food and Rural Development
Manitoba Conservation and Water Stewardship
Manitoba Jobs and the Economy
Manitoba Housing and Community Development
Manitoba Infrastructure and Transportation
Manitoba Mineral Resources
Manitoba Municipal Government
Abandonment Reserve Fund
Biodiesel Fund
Communities Economic Development Fund
Community Revitalization Fund
Co-operative Loans and Loans Guarantee Board
Cooperative Promotion Board
Crown Lands and Property Agency
Economic Innovation and Technology Council
Entrepreneurship Manitoba
Ethanol Fund
Farm Machinery and Equipment Act Fund
Food Development Centre
Green Manitoba Eco Solutions
Industrial Technology Centre
Leaf Rapids Town Properties Ltd.
Manitoba Agricultural Services Corporation
Manitoba Cattle Enhancement Council
Manitoba Community Services Council Inc.
Manitoba Development Corporation
Manitoba Education, Research and Learning
Information Networks (MERLIN)
Manitoba Floodway and East Side Road Authority
Manitoba Gaming Control Commission
Manitoba Habitat Heritage Corporation
Manitoba Hazardous Waste Management Corporation
Manitoba Health Research Council
Manitoba Horse Racing Commission
Manitoba Housing and Renewal Corporation
Manitoba Opportunities Fund Ltd.
Manitoba Potash Corporation
Manitoba Trade and Investment Corporation

SCHEDULE 8
(cont'd)

COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT, cont'd

Manitoba Trucking Productivity Improvement Fund
Manitoba Water Services Board
Materials Distribution Agency
Mining Community Reserve
Mining Rehabilitation Reserve Fund
Pineland Forest Nursery
Quarry Rehabilitation Reserve Fund
Taking Charge! Inc. / Se Prendre En Main! Inc
Vehicle and Equipment Management Agency
Veterinary Science Scholarship Fund
Waste Reduction and Recycling Support Fund

JUSTICE AND OTHER EXPENDITURES

Legislative Assembly
Executive Council
Civil Service Commission
Manitoba Finance
Manitoba Labour and Immigration
Manitoba Justice
Manitoba Multiculturalism and Literacy
Manitoba Tourism, Culture, Heritage, Sport and Consumer Protection
Civil Legal Services
Crown Corporations Council
Helen Betty Osborne Memorial Foundation
Financial Literacy Fund
Funeral Board of Manitoba
Insurance Council of Manitoba
Land Titles Assurance Fund
Le Centre culturel franco-manitobain
Legal Aid Manitoba
Manitoba Arts Council
Manitoba Combative Sports Commission
Manitoba Centennial Centre Corporation
Manitoba Film & Sound Recording Development Corporation
Manitoba Law Reform Commission
Manitoba Financial Services Agency
Office of the Fire Commissioner
Pension Assets Fund
The Property Registry
Public Trustee of Manitoba
Special Operating Agencies Financing Authority
Sport Manitoba Inc.
Travel Manitoba
Venture Manitoba Tours Ltd.
Victims Assistance Fund
Vital Statistics Agency
Workplace Safety and Health Public Education Fund

SCHEDULE 8
(cont'd)

GOVERNMENT BUSINESS ENTERPRISES: (Schedule 3) (Note 4)

Utility:

Manitoba Hydro-Electric Board

Insurance:

Deposit Guarantee Corporation of Manitoba
Manitoba Public Insurance Corporation
Workers Compensation Board

Finance:

Manitoba Liquor Control Commission
Manitoba Lotteries Corporation

SPECIAL ACCOUNTS, not attached to a Sector or Department

Debt Retirement Account
Fiscal Stabilization Account

OTHER FINANCIAL REPORTS

FOR THE YEAR ENDED

March 31, 2014

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OFFICE OF THE
AUDITOR GENERAL
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

We have audited the accompanying Fiscal Stabilization Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2014 ("the statement"). The statement has been prepared by management based on section 65(1) (c) (ii) of the *Financial Administration Act*.

Management's Responsibility for the Statement
Management is responsible for the preparation of this statement in accordance with the *Financial Administration Act* and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial information in the Fiscal Stabilization Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2014 is prepared, in all material respects, in accordance with section 65(1) (c) (ii) of the *Financial Administration Act*.

Basis of Accounting
Without modifying our opinion, we draw attention to Note 2 to the statement, which describes the basis of accounting. The statement is prepared to assist the entity to meet the requirements of Section 65(1) (c) (ii) of the *Financial Administration Act*. As a result, the statement may not be suitable for another purpose.

Unaudited Information
The Schedule of Supplementary Information has been presented as unaudited information. The financial information in this schedule is not covered by our report and accordingly, we do not express an opinion on the information.

Original signed by Norm Ricard

September 25, 2014
Winnipeg, Manitoba

Norm Ricard, CA
Auditor General (acting)

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
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FISCAL STABILIZATION ACCOUNT
STATEMENT OF TRANSFERS AND ACCOUNT BALANCE
For the Year Ended March 31, 2014

	($ thousands)	
	2014	2013
Transfer to Core Government operations	(100,000)	(152,005)
Account Balance, beginning of year	374,533	526,538
Account Balance, end of year	274,533	374,533

FISCAL STABILIZATION ACCOUNT
NOTES TO STATEMENT OF TRANSFERS AND ACCOUNT BALANCE
For the Year Ended March 31, 2014

1. The Fiscal Stabilization Account was established under the authority of subsection 26.1(1) of *The Financial Administration Act*. The Fiscal Stabilization Fund established under *The Fiscal Stabilization Fund Act* is continued as the Fiscal Stabilization Account. The legislated purpose of the Account is to assist in stabilizing the fiscal position by supporting core government operations in a fiscal year or to repay debt. Under subsection 26.1(3) the Minister of Finance, with the approval of the Lieutenant Governor in Council, may deposit in the Account any part of the revenue or other financial assets received in the core government in any fiscal year. Under subsection 26.1(4), the Minister of Finance may, with the approval of the Lieutenant Governor in Council, transfer all or part of the Account balance to the core government.

2 Transactions in the Fiscal Stabilization Account are accounted for on an accrual basis and reflect the transfers made under Section 26.1(3) and 26.1(4) of *The Financial Administration Act*. Transfers are determined by the Minister of Finance and are authorized with an Order in Council. The report on these transactions is made in accordance with Section 65(1)(c)(ii) of *The Financial Administration Act*.

3 It is the Government's policy to divide the Fiscal Stabilization Account into two programs, the Health Program and the General Program, as presented in the attached, unaudited Schedule of Supplementary Information. Funds were allocated to the Health Program based upon funds received from the Federal Government for Wait Time Reduction programming and Other Health Related programming.

4 Subsection 26.1(2) of *The Financial Administration Act* stipulates that the Minister of Finance shall make every effort to ensure that the balance of the Account at the end of each fiscal year is at least 5% of the core government expenditures for that year. As authorized under amendments to *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act*, Part 4.1, during the 5 year economic recovery period the Minister is directed to transfer at least $600 million from the Fiscal Stabilization Account to the core government to support the amortization of increases in general purposes debt, including related interest expenses, attributable to negative net results for fiscal years within that period.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR

SCHEDULE 9

For the Year Ended March 31, 2014

($ millions)

	Health		Education		Family Services		Community, Economic and Resource Development	
	2014	2013	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$	$	$
REVENUE								
Income taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	457	420	-	-	7	18
Fees and other revenue	532	548	586	580	27	48	811	710
Federal transfers	1,105	1,072	155	116	1	4	293	294
Contnbutions from entities within the Government Reporting Entity	59	53	61	51	-	-	3	40
Sinking funds and other investment earnings	8	7	17	9	-	-	39	38
TOTAL REVENUE	1,704	1,680	1,286	1,176	28	52	1,153	1,100
EXPENSE								
Personnel services	3,286	3,202	2,702	2,565	180	198	423	418
Grants/Transfer payments	1,201	1,058	(167)	(151)	293	286	559	569
Transportation	63	60	33	32	4	6	34	35
Communication	15	13	24	24	3	5	16	18
Supplies and services	756	771	357	380	39	43	274	330
Social assistance related	1	-	4	4	596	562	639	710
Other operating	266	263	431	361	16	15	284	183
Debt servicing	48	52	138	135	1	1	246	228
Minor capital	17	15	60	49	-	1	9	10
Amortization	162	160	136	127	4	5	229	205
TOTAL EXPENSE	5,815	5,594	3,718	3,526	1,136	1,122	2,713	2,706
NET INCOME (LOSS) FOR THE YEAR	(4,111)	(3,914)	(2,432)	(2,350)	(1,108)	(1,070)	(1,560)	(1,606)

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR

SCHEDULE 9
(cont'd)

For the Year Ended March 31, 2014

($ millions)

	Justice and Other Expenditures		General Government (Note a)		Adjustments (Note b)		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$	$	$
REVENUE								
Income taxes	-	-	3,446	3,302	-	-	3,446	3,302
Other taxes	-	-	3,282	2,966	(33)	(39)	3,723	3,365
Fees and other revenue	196	135	76	2	(50)	(10)	2,178	2,013
Federal transfers	23	54	2,265	2,413	-	-	3,842	3,953
Contributions from entities within the Government Reporting Entity	-	5	810	765	(150)	(175)	783	739
Sinking funds and other investment earnings	178	188	-	-	-	-	242	242
TOTAL REVENUE	397	382	9,879	9,448	(233)	(224)	14,214	13,614
EXPENSE								
Personnel services	561	486	18	10	24	15	7,194	6,894
Grants/Transfer payments	105	77	50	66	(359)	(313)	1,682	1,592
Transportation	10	9	23	19	1	-	168	161
Communication	14	12	-	-	-	-	72	72
Supplies and services	202	202	42	24	85	57	1,755	1,807
Social assistance related	10	33	-	-	-	-	1,250	1,309
Other operating	39	29	107	44	9	17	1,152	912
Debt servicing	388	423	-	-		-	821	839
Minor capital	2	2	-	-	-	-	88	77
Amortization	9	7	7	7	7	-	554	511
TOTAL EXPENSE	1,340	1,280	247	170	(233)	(224)	14,736	14,174
NET INCOME (LOSS) FOR THE YEAR	(943)	(898)	9,632	9,278	-	-	(522)	(560)

Note a: The general government category includes revenue from sources that cannot be attributed to a particular sector.

Note b: Consolidation adjustments are necessary to conform sectors to Government accounting policies and to eliminate transactions between sectors.

Note c: 2012/13 expenses have not been restated to reflect the impact of the 2013/14 reorganization. Had the 2012/13 expenses been restated, overall Health expenses would have decreased by $33 million, Education would have decreased by $23 million, Family Services would have decreased by $26 million, Community, Economic and Resource Development would have increased by $3 million and Justice and Other would have increased by $79 million.

FISCAL STABILIZATION ACCOUNT
SCHEDULE OF SUPPLEMENTARY INFORMATION
(Unaudited)
For the Year Ended March 31, 2014

	($ thousands)	
Fiscal Stabilization Account by Program	**2014**	**2013**
Health Program		
Account Balance, beginning of year	-	7,834
Health Program Transfers		
- Wait Time reduction Programming	-	(7,834)
Account Balance, end of year	-	-
General Program		
Account Balance, beginning of year	374,533	518,704
General Program Transfers		
- Health Program	-	7,834
- ecoTrust	-	(4,171)
- Transfer for General Purpose debt reduction	(100,000)	(140,000)
- Transfer to Core Government - allocated to general purposes	-	(7,834)
Account Balance, end of year	274,533	374,533
Total Account Balance, end of year	274,533	374,533

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

We have audited the accompanying Debt Retirement Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2014 ("the statement"). The statement has been prepared by management based on section 65(1) (c) (i) of the *Financial Administration Act*.

Management's Responsibility for the Statement
Management is responsible for the preparation of this statement in accordance with the *Financial Administration Act* and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial information in the Debt Retirement Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2014 is prepared, in all material respects, in accordance with section 65(1) (c) (i) of the *Financial Administration Act*.

Basis of Accounting
Without modifying our opinion, we draw attention to Note 2 to the statement, which describes the basis of accounting. The statement is prepared to assist the entity to meet the requirements of section 65(1) (c) (i) of the *Financial Administration Act*. As a result, the statement may not be suitable for another purpose.

Original signed by Norm Ricard

September 25, 2014
Winnipeg, Manitoba

Norm Ricard, CA
Auditor General (acting)

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DEBT RETIREMENT ACCOUNT
STATEMENT OF TRANSFERS AND ACCOUNT BALANCE

For the Year Ended March 31, 2014

	2014	2013
Account Balance, end of year	-	-

Notes to Financial Information

1. The Debt Retirement Account was established under the authority of *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act* (Act). The Debt Retirement Fund established under the Act is continued as the Debt Retirement Account. The purpose of the Account was to assist in the orderly repayment of debt pursuant to the Act.

2 Transactions in the Debt Retirement Account are accounted for on an accrual basis. Transfers to the account are made in accordance with Sections 13(2) and 13(3) of the Act. Transfers from the account are made in accordance with Section 14(1) and 14(2) of the Act. The report on these transactions is made in accordance with Section 65(1)(c)(i) of *The Financial Administration Act*.

3 In accordance with subsection 14(2) of the Act, which requires the balance of the debt retirement account to be transferred to the Core Government at least once every five years for the purpose of reducing general purpose debt, the Government transferred $145 million from the Debt Retirement Account to the Core Government on April 14, 2010.

4 Subsection 13(2) of the Act was amended to not apply to those periods falling within the economic recovery period, ending March 31, 2014, and as a result there was no transfer from Core Government operations for the specific purpose of reducing general purpose debt and pension obligations. Consequently there was no transfer from the Debt Retirement Account for the specific purpose of providing for the future retirement of pension obligations in accordance with subsection 14(1) of the Act.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED DETAILS AND RECONCILIATION
TO CORE GOVERNMENT RESULTS

For the Year ended March 31, 2014

Unaudited

($ millions)

	2014			2013		
	Core Government	Consolidation Impacts	Summary 2014	Core Government	Consolidation Impacts	Summary 2013
REVENUE						
Income taxes	3,446	-	3,446	3,302	-	3,302
Other taxes	3,391	332	3,723	3,078	287	3,365
Fees and other revenue	631	1,546	2,177	542	1,471	2,013
Federal transfers	3,525	318	3,843	3,680	273	3,953
Net income from government business enterprises	562	221	783	558	181	739
Sinking funds and other investment earnings	-	242	242	-	242	242
TOTAL REVENUE	11,555	2,659	14,214	11,160	2,454	13,614
EXPENSES						
Health	5,284	422	5,706	5,065	389	5,454
Education	2,365	1,197	3,562	2,304	1,035	3,339
Family Services	1,136	(62)	1,074	1,089	(54)	1,035
Community, Economic and Resource Development	2,161	254	2,415	2,175	248	2,423
Justice and Other Expenditures	1,053	105	1,158	984	100	1,084
Debt Servicing	208	613	821	233	606	839
TOTAL EXPENSES	12,207	2,529	14,736	11,850	2,324	14,174
Net Income (Loss) before Transfers for Expense Recovery	(652)	130	(522)	(690)	130	(560)
Transfer (to) from Fiscal Stabilization Account	-	-	-	12	(12)	-
Net Result before Transfers for Debt Repayment	(652)	130	(522)	(678)	118	(560)
Transfer (to) from Fiscal Stabilization Account	100	(100)	-	140	(140)	-
NET RESULT FOR THE YEAR AFTER TRANSFERS	(552)	30	(522)	(538)	(22)	(560)